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Insurance sector faces growing customer dissatisfaction- Survey

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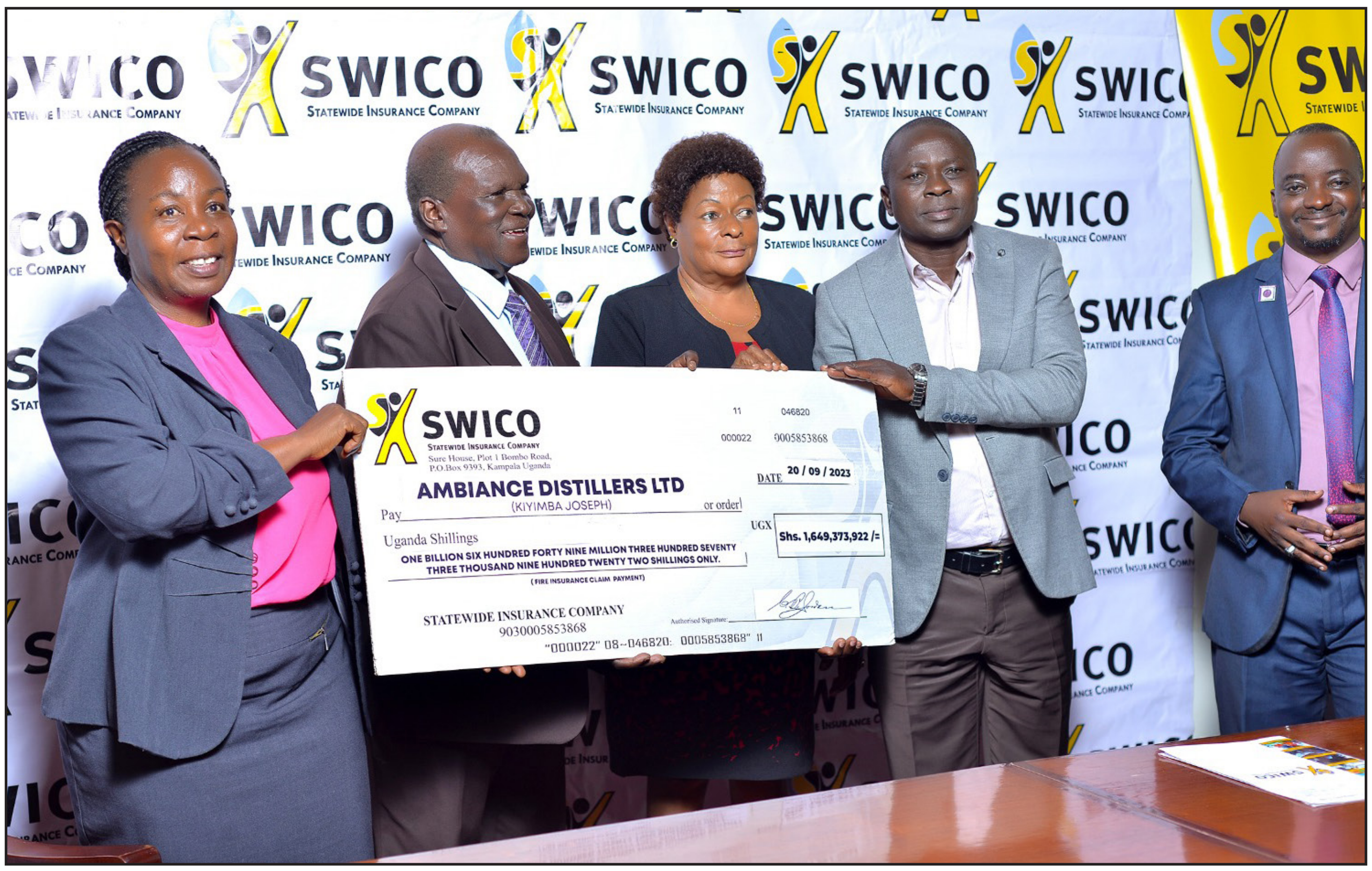
SWICO pays sh1.6 billion insurance claim



L -R: Ms. Florence Namagembe, General Manager,Joseph William Kiwanuka, Executive Director, Statewide Insurance Company, Ms. Evelyn N. Muwemba, Chief Executive Officer, Joseph Kiyimba the proprietor of Ambiance Distillers receiving a cheque and Ronald Jaggwe Muyingo, Marketing & Sales Manager

Statewide Insurance Company has paid sh1.6 billion insurance claim to Ambiance distillers Ltd following fire damages suffered by the company four months ago.

Ronald Jaggwe, the marketing and sales manager at SWICO, revealed during a media briefing at their head offices in Kampala that the insurance claim remains one of the highest in the industry this year.

"This year, over sh400 billion have been paid out across the sector of 21 players. Our compensation of sh1.6 billion insurance claim to Ambiance distillers Ltd is so far the highest in the industry this year," he said.

"The payment was made following fire damages suffered by Ambiance Distillers Ltd. Joseph Kiwanuka, the proprietor of the company who has also been into insurance for over 40 years," he added.

Commenting on the claim he received from SWICO, Kiwanuka said insurance is one way of safeguarding a business against any form of risk. He said that there is a mindset among people that insurance is for the rich class which

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BUSINESS

BAT Records Staggered Performance; Resilience on the Stock Exchange | PAGE 5

BANKING

How rating agencies push Africa to pay eight times more on loans

African countries are paying eight times more in interest on loans than their European counterparts and four times more than the US on account of distorted assessments byglobal credit. | PAGE 18

UDB announces UGX 150 billion for local contractors

Uganda Development Bank, the country's development finance institution, has announced a UGX150 Billion financial commitment earmarked to provide affordable and patient financing to Ugandan contractors.

Dubbed the Ugandan Contractors Financing Initiative, the financing complemented by Business Advisory and Project Management advice services will support Ugandan contractors to access bid bonds and guarantees at favorable terms and in a timely manner.

Addressing the press at the UDB Head office at Rwenzori Towers, Nakasero today, Patricia Ojangole, the UDB Managing Director said limited access to patient and favorably priced working capital remains a key challenge to Ugandan contractors.

"The financing difficulties and delays coupled with sourcing funds from unconventional financing sources negatively affects performance and business growth, causes contract delays, and often leads to poor quality work among other challenges," Ojangole said.

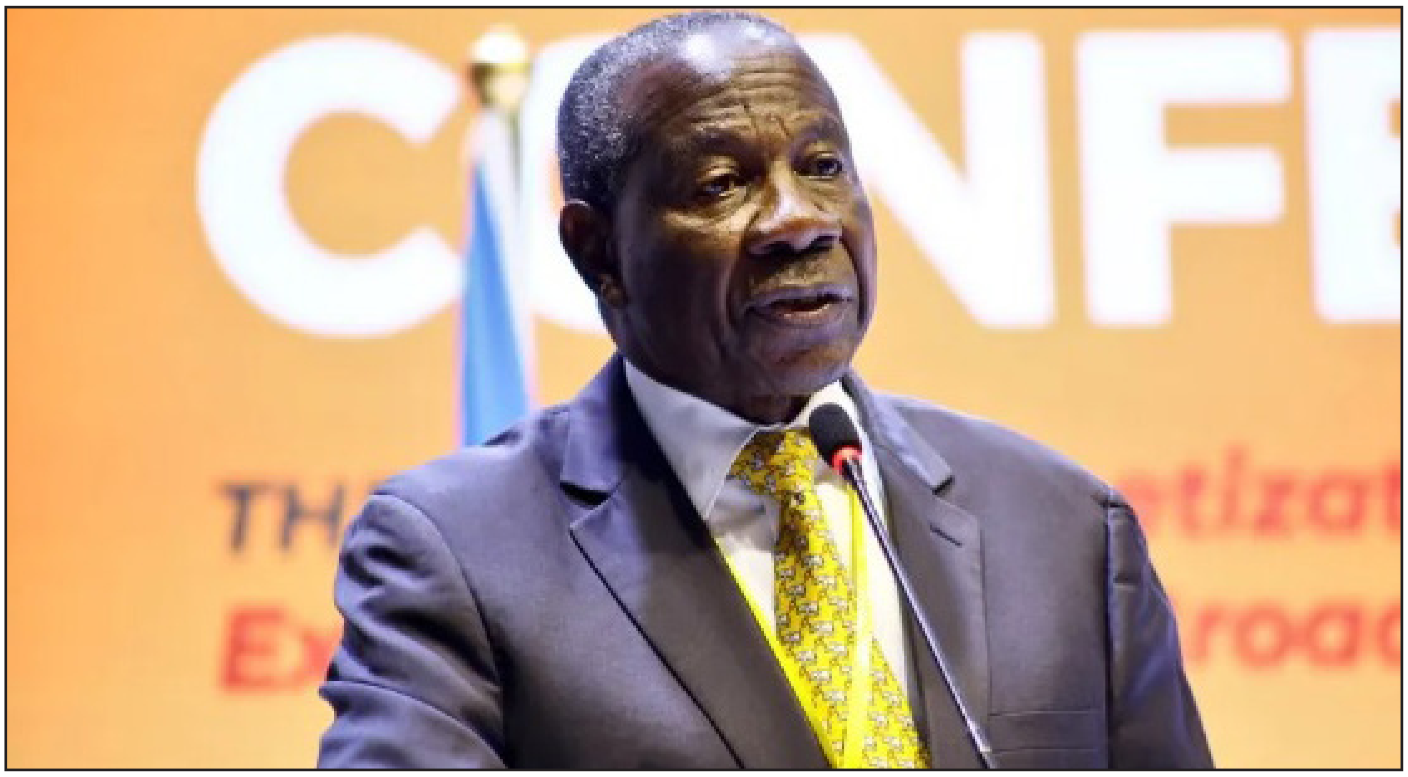
"UDB has identified the need to provide targeted financial support to emerging and existing Ugandan contractors to aid performance and contractor growth, a testament to the Bank's commitment to champion development impact activities that are consistent with our mandate."

Ugandan contractors have long been recognized as a vital segment of national development, responsible for turning plans and investments into tangible infrastructure, services, and facilities that benefit communities and the nation. UDB acknowledges the pivotal role they play in Uganda's growth and development, hence creating a platform where contractors can be guided on how to capitalize on the existing opportunities.

On this basis, the Bank has made a call for Ugandan contractors to submit their Expression of Interest to participate in the Ugandan Contractors Financing Initiative.

The call is open to Ugandan-registered contractors where Ugandans have majority shareholding.

Uganda government unveils Budget Strategy for FY 2024/25



Finance minister Matia Kasaija presents the budget strategy in Kampala recently.

The Ministry of Finance, Planning and Economic Development has unveiled the Budget Strategy for FY 2024/25, indicating that resource envelope will be Shs52.722 trillion.

Finance Minister Matia Kasaija, while unveiling the strategy at Kampala Serena Hotel recently, 14 September 2023, said the preliminary domestic revenue is projected to slightly increase to Shs29.957.9 trillion in FY 2024/25 from Shs29.672.3 trillion.

Due to debt servicing costs, he said, the resources available for allocation have reduced to Shs21.734.2 trillion for FY 2024/25 from Shs25.205.2 trillion this FY.

He also warned that the government will cut back wasteful spending in the event of World Bank's suspension of loans to Uganda.

"As we start the budgeting process for FY 2024/2025, we should be cognisant of the resource limitations, including domestic revenue and limited space for borrowing. Therefore, the ministry will be unable to accommodate all MDA priorities," the minister said.

Next year's budget theme will be: 'Full monetisation of Uganda's economy through commercial agriculture, industrialisation, expanding and broadening services, digital transformation and market access.'

Slightly over Shs6.7 trillion in project and other development financing has been snuffed out by the freeze. But the minister also remained confident of future prospects despite prevailing difficulties

"The implementation of strategic interventions such as the Parish Development Model, development of the minerals sector, agro-industrialisation and manufacturing, among others, will spur economic growth to 6 percent by end of FY2023/24, and to 6.5% in FY 2024/2025," he said.

Mr. Kasaija said they project an average economic growth rate of at least 7 percent over the medium term. The minister said this will largely be driven by growth in industry, services and agriculture sectors.

According to the budget working document, the government promises to continue maintaining macroeconomic stability (keeping inflation low and debt sustainability) through implementation of fiscal consolidation interventions. Boosting household incomes and microenterprises through the Parish Development Model and commercialising agriculture to enhance production and improve competitiveness is also repeated in the plans for next year.

Prime Minister Robinah Nabbanja, who closed the conference on behalf of President Kaguta Museveni said faster socio-economic transformation will be achieved by doing business differently, with accountability, fighting corruption, coordination and effectiveness. The President said the budget must be repurposed to high impact growth areas..

"Our major task now is adherence to effective implementation of Uganda's fiscal consolidation agenda, which includes the following: effective implementation of domestic revenue mobilisation strategy; effectiveness and efficiency of public expenditure management; and controlling non-concessional borrowing through effective implementation of the Medium -Term Debt Reduction Strategy," she said.

PS Ggoobi tips business owners on tax compliance

The Permanent Secretary/Secretary to the Treasury, Ramathan Ggoobi, has urged business owners to be tax compliant so that their businesses can develop faster. Ggoobi made these remarks while delivering his keynote address at the Business Trends Forum 2023 that happened at the Sheraton Hotel Kampala.

"If you manage your business professionally by constantly keeping records, it will definitely expand. Try to avoid regulators coming to your business by doing what they expect you to do. Never allow government agencies to come to your business; go to them, and you will never run away from the state. When the government loses trust in you because this person is evading tax, then cooperation becomes difficult," he said.

He further encouraged them to utilize the available investment opportunities and incentives.

"Make use of government agencies before you say government only supports foreigners no that is not true. By the time those foreigners come, they want to be compliant and this makes them get a lot of benefits," Ggoobi.

His call was echoed by Yvonne Mpanga the CEO Business trends forum who underscored the benefits of having a good relationship with the taxman.

Ramathan Ggoobthe, Permanent Secretary/Secretary to the Treasury

"If you pay your taxes, record your daily activities, plan your next move, you will never fail. URA is here to walk the journey with you. They intend to make you pay your taxes happily by engaging with you and understanding your business. The earlier you include URA in your business plan by complying, the faster your business will grow uninterrupted and be able to benefit from other government programs," she said.

Meanwhile, URA's Ag. Manager for public and corporate affairs Robert Wamala reminded the proprietors of the new interest and penalty waiver that is available until 31 December 2023.

"If your business has an outstanding tax debt, government has decided to build your business by allowing you to pay the principal tax and then the accumulated penalties and fines will be automatically waived off. However, this offer stands up to 31st Dec 2023," he said.

He commended the business owners on their compliance and reiterated calls for them to formalize their businesses practice proper record keeping and file returns on time.

Parliament Approves Shs5bn As Minimum Capital Requirement For MDIs

Parliament has increased the minimum paid up cash capital requirements of Microfinance Deposit-taking Institutions (MDIs) from 25,000 currency points (Shs500M) to 250,000 currency points (Shs5Bn), which is half the value the Ministry of Finance had proposed of 500,000 currency points (Shs10Bn).

The decision followed a report by Amos Kankunda, Chairperson Parliament's Finance Committee who asked MPs to cap the share capital at Shs5bn, arguing that the majority of micro finance institutions are still operating under tier 4, and these institutions are not legally allowed to take deposits and in order to enhance financial inclusion, there is need for a legal regime that enables the majority of the micro finance institutions to mobilise deposits.

Kankunda said that currently, there are only four MDIs in Uganda with a very limited footprint and branch networks and these vary in the size of their balance sheet and shareholding value, and in order to ensure equity among MDIs and aspiring Tier-4 Institutions, the minimum paid-up cash capital requirement should not be a one-size-fits-all.

"Instead, it should be premised on a pro-rata basis, that is, the size of the balance sheet of an MDI and aspiring Tier 4 institutions which should determine the minimum capital requirement of the MDI. In the meantime, the minimum capital requirement of the MDIs should be set at 250,000 currency points (Shs5Bn)," said Kankunda.

Committee chairperson, Hon. Kankunda

He also added, "The minimum paid up capital requirements of MDIs should be a function of the percentage of the balance sheet of each MDI. The Bank of Uganda should therefore annually review the proposed instrument within one year and determine the right percentage of the minimum capital requirement."

The Committee also pointed out that Section 110 of the Tier4 Microfinance Institutions and Money lenders Act 2016 brings some Tier 4 institutions under the control of central Banks if their minimum share capital is above Shs500M and the increment also affects them, which new legal regime will affect their organic growth in light of the proposed stringent capital requirements.

Parliament thus asked Government to ensure that Tier 4 micro finance institutions under the control of the Central Bank as per Section 110 of the Tier4 Microfinance Institutions and Money Lenders Act 2016 should be exempted from this Statutory Instrument

Recently, the Ministry of Finance tabled the Micro Finance Deposit-taking Institutions (Revision of Minimum capital Requirements) Instrument 2022 seeking Parliamentary approval to revise the minimum share capital for MDIs from Shs500M to Shs10Bn, arguing that the move was aimed at improving soundness of the financial sector and enhance efficacy of money or policy transmission;

"Tier-4 microfinance institutions under the control of the central bank as per section 110 of the Tier 4 Microfinance Institutions and Money Lenders Act, 2016, will be exempted from the statutory instrument.

Minister of State for Finance, Henry Musasizi defended the proposal arguing that the revision will ensure that minimum capital requirements are commensurate with economic growth and inflation developments, are aligned with financial system developments, and sufficient to address emerging risks, as well as ensure that MDIs hold strong capital that is adequate to finance national development priorities and strategies, and compete in the regional markets;

Currently, under Tier 3 Micro Finance Institutions, Uganda has only four MDIs, namely; Pride Micro Finance Limited, FINCA, UGAFODE and EFC, and Government had proposed to have the new regulations come into effect in June 2024. However, the consideration of the proposal was halted for the first time by Speaker Among after realizing that the Finance Committee hadn't sought the opinions of the operators and managers of MDIs and other stakeholders that would be impacted by the revision.

Muwanga Kivumbi (Butambala County) who had earlier authored a minority report asking to have the capital requirement capped at Shs2Bn revealed both Government and Opposition had agreed on the middle ground of Shs5Bn and called for increased financial penetration by the MDIs and other institutions in order to strengthen Uganda's sovereignty.

"Given what is happening, our sovereignty remains at hazard for as long as we aren't able to moblize the local deposits. The difference between MDIs and Tier 4 institutions is that these Tier 4 SACCOs aren't deposit taking institutions. That means that those people who go to the market and sell their cattle, can't deposit their money in the evening and therefore, that is why we are making a point is that if we don't deepen the reach of Tier 4, a lot of monies will remain in the communities," said Muwanga.

Minister Musasizi while reacting to the latest Committee position said, "We would have preferred the Shs10Bn, but since we can't get it, the Shs5Bn is good enough. I therefore agree with the position."

The Ministry of Finance, Planning and Economic Development proposes that the increase in minimum paid-up cash capital requirements for Micro-finance Deposit-taking Institutions shall take effect from June 2024.

UDB earmarks shs150bn for local contractors

Eligible firms shall be those that undertake physical infrastructure projects within the Bank's key priority sectors.

Under this initiative, Ugandan contractors will enjoy the following benefits:

Timely access to cheaper and patient capital.

Lower appraisal fees, grace periods of up to 12 months as well as lower than prevailing market interest rates.

Access to bid bonds, performance, and other guarantees at favorable terms and conditions, such as arrangement fees of 0.25%, security cover of between 50 – 100% of the bond amount, unsecured bid bonds of between 0.5 – 1 Billion, and low commission rates of 0.5% per quarter.

Elizabeth Muhebwa, executive director, Uganda National Association of Building and Civil Engineering Contractors (UNABCEA),Patricia Ojangole,UDB, Managing Director and Eng.Andrew Muhwezi

Consideration of outstanding payment certificates as security to enable access of up to 70% of the required credit.

Consideration of security at market value as opposed to forced sale value – where required.

Business Advisory on technical and project management skills to enable capacity Building for the contractors.

For the seamless execution of the initiative, the Bank has partnered with the Uganda Institution of Professional Engineers (UIPE) which will provide leadership and direction in all policies and matters of public interest that are of an engineering nature and the Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) which will support in mobilization and the due-diligence processes.

"We remain firmly committed to the development agenda of Uganda and we believe the Ugandan Contractors Financing Initiative is a new dawn and anchor to infrastructure development in Uganda. I call upon all Ugandan contractors to embrace the initiative as we reshape financing for development in the country," Ojangole concluded.

Expression Of Interest is open starting tomorrow October 3, 2023, and will close on October 30, 2023. An evaluation committee will review the applications against the minimum requirements. Applicant(s) who meet the minimum requirements will be categorized according to pre-approved credit limits.

SWICO pays sh1.6 billion insurance claim to client, highest in the industry so far

is not true.

"It doesn't matter whether you have a small and medium sized business. This insurance can help you at a very difficult time when your business is having a challenge," he remarked.

"If I had not insured my business, I would now be finished. But with the sh1.6bn I can restore my business," Kiwanuka said smilingly.

Claims drop in the second quarter of 2023

Gross insurance claims paid on account of both life and non-life (including HMOs) dropped 6.1 percent from 37.6% of the total premiums registered in the second quarter of 2023 compared to 43.7% of total premiums registered in the second quarter of 2022.

According to Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive officer of Insurance Regulatory Authority of Uganda, the 37.6% of the total premiums registered in the second quarter of 2023 are equivalent to sh311.3billion

He said that as the industry's regulator, they shall continue to examine the trends as the year progresses and ensure that all payable claims are paid, and in good time.

Fire accidents increase

The 2022 Police report indicates that fire incidents increased by 16% in 2022 compared to 2021. The report revealed that 976 of 1258 of fire cases reported in 2022 were in the Kampala Metropolitan area.

This leaves many succumbing to not only injuries but also others losing out their businesses as a result of failure to reinstate their businesses.

Industry performance

The insurance sector continued to grow favourably increasing from sh711.6billion in the second quarter of 2022 to sh828.9bn in the second quarter of 2023, representing a 16.5 percent increase during the reporting period.

This 16.5% growth, according to Kaddunabbi, is a reflection of the sector's attraction of more customers committing more money to purchase insurance.

"This steady growth is worthy of acknowledgement because it is a reflection of, among other things, the sector's attraction of more customers and businesses committing more money to purchase insurance," he noted.

As at the end of June 2023, Non-life business generated sh510.1billion growing from sh309.8billion in Q1 2023 (representing about 56.8% of the total premiums from the same segment in the full year, 2022 (i.e., sh898.10 billion).

L -R: Ronald Jaggwe Muyingo, Marketing & Sales Manager, Joseph Kiyimba the proprietor of Ambiance Distillers and Joseph William Kiwanuka, Executive Director, Statewide Insurance Company

Ms. Evelyn N. Muwemba, Chief Executive Officer, Statewide Insurance Company

Unleashing Efficiency and Compliance: Innovating Administration in the Insurance Industry

In this rapidly growing world where finance, efficiency, and compliance remain momentous drivers for businesses striving to maintain a competitive edge amidst complex regulatory frameworks, embracing innovative approaches to administration can revolutionize the insurance industry for the better. Harnessing the power of technology and streamlining processes in financecan unlock greater efficiency and boost compliance efforts. These four highlighted pillars align with the need to promote innovation in administration in the insurance industry.

First, the need to enter automation. Automation is a significant pillar for effective administration in the insurance industry. Automation leverages advanced software solutions and artificial intelligence (AI) to streamline administrative tasks. With the ability for automation to support data entry, document processing, and compliance checks, financial institutions reduce the risk of human error and support overall efficiency. The relevance of these automation support tools in the administration would allow liberate administrators and allow time to focus on strategic and valueadded activities while adhering to organizational regulatory requirements.

Secondly, it's important to collaborate with cloud technology. Cloud computing revolutionized business operations and administration in exceptional ways the world over. Although cloud technology in some instances wouldn't require direct active management by the user, administrators can effortlessly access, manage, and share vital information from anywhere, at any time, removing the limitations of time and geography. For example, the frequent use of Google Drive, and OneDrive demonstrates the far-reaching impact of cloud technologies. Indeed, collaborative platforms and document management systems foster efficient workflows, enabling real-time collaboration among teams. Not only does this enhance efficiency, but it also promotes compliance by ensuring accurate documentation, version control, and secure data storage.

Thirdly, empower compliance with enhanced data analytics. In the era of ever-increasing data volumes, harnessing its potential becomes crucial for the insurance sector. Advanced data analytics tools provide invaluable insights into compliance trends, risk assessments, and regulatory requirements. Administrators can proactively identify compliance gaps, strengthen internal controls, and implement targeted measures to mitigate risks. Data analytics not only enhances efficiency in compliance monitoring but also enables insurance institutions to stay ahead of emerging regulatory challenges.

Finally, build fortified cybersecurity measures. Amidst rapid technological advancement, safeguarding sensitive data is important. Innovative administration includes robust cybersecurity measures that protect against cyber threats and data breaches. Some of the examples that the insurance industry can fortify systems are by encryption, multi-factor authentication, and regular security audits. Additionally, administrators need to leverage cutting-edge cybersecurity solutions to foster a culture of trust and ensure that critical information remains secure while maintaining strict compliance with data protection regulations.

In conclusion, the insurance landscape changes rapidly and that is why it remains vital to provide innovative approaches in administration and its practices. To successfully drive this agenda, actors should embrace automation, cloud technology, data analytics, robust cybersecurity measures, and financial institutions to achieve new levels of efficiency, compliance, and sustainable growth. Success belongs to those who dare to innovate and harness the power of administrative advancements to transform the insurance industry, creating a prosperous and dynamic future.

Kaganzi Clara Splendor – Administrator, Insurance Brokers Association of Uganda (IBAU)

BAT Records Staggered Performance; Resilience on the Stock Exchange

For 95 years, British American Tobacco (BAT) has been a notable presence in Uganda, contributing significantly to the nation's development. From its humble beginnings in a bushy landscape, BAT has witnessed the evolution of Uganda's economic landscape. Despite facing challenges and changing regulatory environments, BAT's impact remains undeniable.

In 1901, when BAT first set foot in Uganda, the location of its factory was nothing more than untamed wilderness. Fast forward to 1986, when President Yoweri Museveni came into power, and he often expressed the need for "10 BATs" due to the company's significant tax contributions.

While the economic landscape has diversified over the years, with the emergence of numerous banks and telecom companies, BAT's historical role in Uganda's development remains integral.

According to Henry Rugamba, a BAT board member, the company's journey has not been without obstacles, particularly in recent times. Stringent regulations and tough laws have presented challenges for the tobacco industry. But:" in spite of this, BAT remains resilient, adapting to the evolving landscape."

Mr. Mathu Kiunjuri, Managing Director BAT Uganda, Mr. Henry Rugamba, Non Executive Director BAT Uganda Mr. Bwiso Paul, CEO and Ms. Jacintah Akino, Company Secretary Uganda Securities Exchange

According to Rugamba, the company is grappling with illicit trade, a vice that is not only pressing the cigarette sector, but all sectors of the economy.

"BAT recognizes the need for a holistic approach to address this problem through multi-agency collaboration. While other sectors benefit from multi-agency coordination, such as URA's efforts to intercept fake phones at the Entebbe airport, illicit cigarettes often evade such scrutiny," Rugamba noted, during the recent facts behind the figures briefing at the securities exchange in Kampala.

He said regulations, such as banning flavored cigarettes and requiring company names on packaging, fall under the Ministry of Health's purview, though, there's a significant gap in sensitizing the public about these regulations. This lack of awareness, he noted, allows traders who flout these regulations to go unchecked.

Rugamba said currently, 50% of BAT's revenue goes to taxes, while those who evade taxes can sell their products at lower prices. "The issue revolves around tax evasion and price undercutting, not product quality," he stressed.

Less Risky Products

He said globally, the tobacco industry is moving towards less risky products, and as such, BAT aims for 25% of its global revenues to come from new categories by 2025.

He noted that unfortunately, Uganda's laws do not permit the sale of these products in the country. Convincing the government to adjust regulations and allow the sale of less risky products is an ongoing process.

Paul Bwiso, Chief Executive Officer, Uganda securities exchange (USE), noted that specific regulations guide stock trading on the exchange.

He said the exchange can open remarkable price discoveries for stocks that haven't traded in over three months. Stock brokers play a vital role in tracking stock prices and adhering to regulations.

Bwiso said economic indicators also play a role in stock market performance. "Uganda has witnessed a remarkable drop in inflation, with headline inflation at 3.5% and core inflation at 3.3% in August, down from 11% at the beginning of the year. A reduction in the central bank rate to 9.5% after ten months has also influenced investor behavior," he said.

Positive Trends in Stock Trading

The stock market has seen improvement in terms of stability and trading turnover. Notably, trading turnover stands at sh42.3 billion, with approximately 584 shares traded, marking an 80% increase. Corporate actions, such as bonus issuance and dividend payments, have contributed to this positive trend.

BAT listed on the stock exchange in October 2000, and its IPO was 5% oversubscribed. The company has demonstrated resilience and continuity, with over 800 investors. Encouragingly, 195 investors have denaturalized their shares on the exchange, highlighting the potential for growth in this area.

However, BAT faces challenges related to stock liquidity, as the stock price of sh15,000 and a dividend yield of about 1.29% may not be attractive to investors.

The "Facts Behind Figures" platform provides an opportunity for the Securities Exchange and executives from listed companies to engage with the public, offering insights into companies and investment opportunities.

BAT's Perspective

Isaac Ampeire, BAT Company Secretary, highlighted that the company faced challenges when the Tobacco Control Act was enacted in 2019. He said they went to court, arguing that cigarettes are not illegal products in Uganda, but the regulations hindered their operations.

"During the COVID-19 pandemic, illicit trade spiked, increasing from 15% to 29.4% of the trade by the end of 2022. This translated to approximately sh30 billion in missed taxes. Despite reduced revenues due to these challenges, BAT maintained its resilience," he noted.

BAT's gross revenue stood at approximately sh48.6 billion, with URA collecting about sh24.4 billion. Costs decreased by 4%, attributed to fewer suppliers and negotiated payment terms.

While facing various challenges, the company remains committed to navigating the evolving regulatory landscape and contributing to the country's development.

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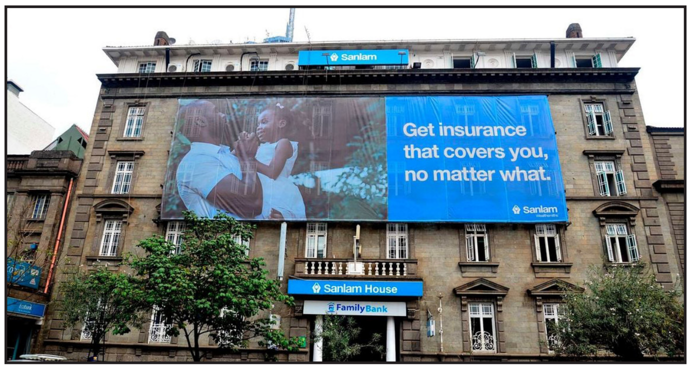
Sanlam direct share-holding unchanged after parent deal



Sanlam Kenya shareholding will remain unchanged despite its parent firm forming a joint venture with Allianz SE.

The company said it would continue to be 57.14 percent owned by Hubris Holdings Limited, which is fully owned by Sanlam Limited—a South African company listed on South Africa's Johannesburg Stock Exchange.

The announcement follows the approval of the deal between Sanlam Limited and Allianz SE to form a joint venture called Sanlam Allianz Africa in which Allianz will hold about 40 percent stake.

"In acquiring approximately 40 percent of the joint venture company, Allianz will not attain 'effective control' of Sanlam Kenya as defined in the Capital Markets (Takeovers and Mergers) Regulations 2002. There will be no change in the direct shareholding of Sanlam Kenya," said Sanlam Kenya.

The insurer, which is listed on the Nairobi Securities Exchange, cautioned investors that the transaction may have a material effect on the value of its shares.

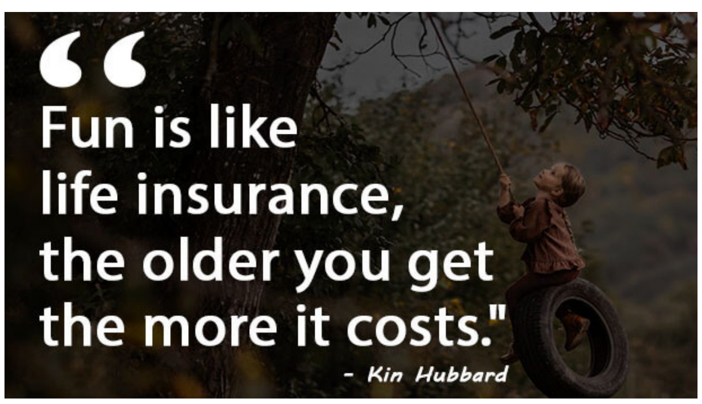
The Sanlam Kenya share recently remained unchanged at Sh8 on the NSE, leaving it with a market capitalisation of Sh1.15 billion.

Sanlam Limited and Allianz had in May 2 last year agreed on an initial shareholding split of 60:40, respectively, but said on Tuesday they are now working on certain post-closing adjustments to get the final shareholding split.

The 60/40 ownership was based on the relative appraised value of the assets the two were contributing as of June 30, 2021. The two say the joint venture is expected to have a combined group equity value of about R35 billion (Sh266 billion), giving customers a broader offering of insurance products tailored to their needs.

Sanlam and Allianz will contribute their respective African operations into a newly incorporated joint venture. South Africa is excluded from the deal while Namibia will be included later.

Once Namibia is included in the deal, Allianz will have the option to increase its shareholding to a maximum of 49 percent, leaving Sanlam with a controlling stake.



GA Insurance to cover batteries in electric vehicle policies

Group Chief Executive Officer of GA Insurance Limited, Vijay Srivastava (left), Chief Executive Officer and Principal Officer of GA Insurance Limited Sandip Bhadury (second right), Senior Manager Consumer Education at Insurance Regulatory Authority, Teresa Mburu (right) and other directors during the unveiling of GA Eco-drive Electric vehicle insurance cover on September 22, 2023 at Radisson Blu Hotel in Upper Hill, Nairobi.

KENYA, GA Insurance has launched an electric vehicles (EVs) cover that will extend to batteries, charging cables and private charging stations, marking the first innovative policy for risks EVs face.

Dubbed GA Eco drive, the cover is targeting cars, vans, buses, motorcycles, bicycles, scooters and tuk tuks that are either classified as battery EVs or hybrid EVs.

The cover is an improvement from the traditional motor insurance policies that have been excluding key features such as batteries that make up between 30 percent and 57 percent of EVs' value.

"The present motor insurance policies in the market were drafted many years back [for] internal combustion engines and cannot fit the unique risks associated with using EVs. The market for EVs is growing and it is quite an exciting space to be in as insurers," said Sandip Bhadury, chief executive at GA Insurance.

The cover will also extend to injury and damage caused by charging cables, out-of-charge recovery benefit (for those who unexpectedly run out of power) and even in-car entertainment units.

The National Transport and Safety Authority data to February showed Kenya had an estimated 1,350 EVs, with motorcycles taking up 844. Three-wheelers stood at 153, and motor vehicles 186. The remaining 150 were classified as "other."

"The comprehensive cover is a game-changer in the market. It is also an actualization of the principles of sustainable insurance that the authority is really trying to deliberately ensure the industry adopts," said Teresa Mburu, head of special services at the Insurance Regulatory Authority.

GA's venture into this specialised cover comes on the back of growing interest in electric mobility, with different entities trying out different models of ownership and applicability.

Old Mutual Group launches Dollar Unit Fund

Old Mutual Investment Group launched the first-ever dollar unit fund in Uganda, a move aimed to diversify and add to the quality of the investment opportunities on the market.

Simon Mwebaze (center) Managing Director UAP Old Mutual Services with other directors and partners at the Launch of the Dollar Unit Trust Fund.

A unit trust is a collective investment scheme that pools contributions from investors who share a common investment objective. The pooled funds are strategically invested in a diversified portfolio of financial securities, including equities (shares), bonds, cash, bank deposits, and more.

The UAP Old Mutual Investment Group MD Simon Mwebaze, noted that in recent years Unit trusts have gained traction on the local market as a low risk, cost-effective access to both fixed income and stock markets investment option.

"Investors are to diversify their risk and gain access to investments they might not have been able to access independently. The introduction of the dollar unit fund, a more aimed to progress us further down this road. There's growing demand for diversified investment options hence the need to innovate accordingly," added the MD

The Board Chairman Professor Samuel Sejjaaka highlighted some of the main reasons that set UAP Old Mutual Investment Group apart from other sector players making the investment in the dollar unit fund a viable option.

"UAP Old Mutual Investment Group is a trusted and experienced manager with a proven track record in managing investments, making us the ideal partner for securing your financial future. In addition, our team conducts thorough and up-to-date research to optimize investment decisions for your fund, ensuring that you make informed choices among all the investment options we manage," said Prof. Samuel Sejjaaka.

The Group CEO Arthur Oginga noted that as pioneers in dollar unit fund investments in Uganda, UAP Old Mutual Investment Group is offering the local investors the power to achieve more now.

Speaking during the launch of Uganda's first ever dollar unit trust fund by Old Mutual Investment Group, the CMA Chief Executive Officer, Keith Kalyegira said Uganda's collective investment schemes have continued to grow by leaps and bounds, a state of affairs he said is healthy for the country.

"We have witnessed significant growth in the unit trust space and the markets assets under management currently stand at shs2trillion contributed to by 60,000 investors and with the launch of this new product, we expect numbers to shoot higher. This growth underscores the confidence of investors in unit trusts as a vehicle for prosperity and wealth creation," Kalyegira said in a speech read by Denis Kizito, a supervision manager at CMA.

"The launch of the dollar unit trust is therefore a testament to the vibrancy and potential of Uganda's capital markets."

The official from Capital Markets Authority said they have played a pivotal role in facilitating this growth by establishing a robust policy framework that governs the issuance and trading of securities in Uganda's capital markets.

Why NHIS should be mandatory for ALL

Reference is made to an article titled "Exclude the poor from health insurance contributions – experts" that was published in the media on August 15, 2023.

In the article, the writer quotes Dr Githinji Gitahi, the Chief Executive Officer of Amref Health Africa, saying that government should consider excluding the poor from contributing towards the proposed National Health Insurance Scheme (NHIS) to achieve universal health coverage.

He goes on to say that village health teams and local administration should work with government to identify people who can hardly afford the proposed annual contribution of Shs15,000 towards the scheme to have them excluded from contributing.

I would, however, want to throw some light on a few things but before doing so, we all need to first of all commend the Government for this initiative (NHIS) which will provide access to quality and affordable health services for all residents of Uganda, based on their health needs.

While I agree with Dr. Gitahi that indeed there are people in the country who are impoverished. I also know that this category of Ugandans need medical attention more than anyother. We must appreciate that the major aim of the NHIS is to protect Ugandans from unexpected and high medical out-of-pocket costs by giving them an opportunity to pay very affordable premiums and get treatment based on a basic cover, with the maximum limit for inpatient services being Shs5 million while the outpatient limit is Shs1million. Similary, the dental services limit is Shs300,000, maternity (C-section) Shs1.5 million while maternity (normal delivery) is Shs900,000.

We all know that access to quality health care remains a big challenge for many residents in Uganda, especially in rural areas and the urban poor. The majority are struggling with high out-of-pocket health expenditures which have deprived many of accessing quality health care services. Some even consider selling their assets to raise funds for treatment.

According to the World Health Organisation Global Health Expenditure database, the out-of-pocket expenditure in Uganda, was estimated at 37.45% in 2020, which is higher than the global average of 18%. In Kenya, the out-of-pocket expenditure is estimated at 24.06%, Tanzania at 23.10% and Rwanda at 11.7%.

We can examine several options for ensuring that all Ugandans, including the poor conveniently contribute towards NHIS to ensure that the premiums collected are sufficient to cover the claims that will be generated by universal coverage of all people in Uganda.

So, the best option is to ensure that everyone contributes directly or indirectly. Government and Development Partners may contribute for the poor and indigents. This would easily scale up health coverage and enable universal and equitable health care for all. It is important to note that excluding the poor from contributing to the scheme would either create a heavy burden on other population groups in terms of higher contributions to subsidize for the poor or would create an unsustainable Scheme in the long run as funds/contributions may not be sufficient which is against the known Insurance principles. Important to note is that NHIS is providing only a basic cover. Specialized medical services will be done outside NHIS. Therefore, this scheme is designed for the ordinary Ugandans, including the poor. We therefore recommend that either the Government or donor

agencies contribute for the poor / indigents.

As the Insurance Regulatory Authority of Uganda, we are ready to ensure effective sensitization to drive acceptance and ensure effective rollout, implementation and supervision of the scheme to support it to achieve the intended purpose.

The writer is the Chief Executive Officer of the Insurance Regulatory Authority of Uganda

Four reasons professional certification will boost your work and business success

Professional certifications are credentials earned by individuals after the completion of specified programs from reputable global and national organisations, and institutions. Normally, one will require some years of work experience, and a bachelor's degree qualification before they are accepted onto a certified programme. Some of the certification fields in Uganda include Insurance, Accounting, Marketing, Public Relations, procurement, Computing, Project management, auditing, secretarial, leadership and many others.

Here are 3 reasons this path will benefit your career and business efforts.

1. Recognition

Despite being a graduate with experience, standing out of the crowd is no easy fit. Besides adding acronyms to your name, certifications tell a potential employer and your industry peers that you have been ably trained and have the required knowledge and understanding to take on certain tasks and positions in your industry. This opens doors for promotions and builds confidence and credibility for your side hustle. For job seekers, certifications will push you in the category of 'added advantage' almost every time.

Benon Sengendo, Senior Marketing & PR Officer, Insurance Training College

In Uganda for example, the Insurance Regulatory Authority (IRA) resolved in 2022 that all Chief Executive Officers of any insurance company must have a Diploma in Insurance (Certified Course) as a minimum requirement because they recognise the value of certification and its overall contribution to the professional output of individuals.

2. Increased net worth

In an ordinary certification classroom, there are high odds that the people you are sharing that room with are the 'next big thing' in town if they are not already. Classmates a side, your tutor is probably the Head of Marketing, Projects Lead, Head of Finance or CEO at some of the top companies in town. By simply being part of your cohort, you are exposed to a decent network of top professionals who could eventually transform into friends, mentors, customers, and strategic informants.

As a classmate, you have the advantage of engaging these individuals while their guard is down during casual class discussions, and discussion groups thus allowing you to create deeper relationships. Even if your classes are happening online, the principle still applies.

3. Relevant skills enhancement

Certified training programmes are designed in such a way that they keep students up to date with current trends to address market demands for certain skills. Through continuous professional development (CPD) programmes, institutions offering certified training provide several opportunities for current and former students to enhance their skills and knowledge through additional training in specific areas.

For those who may have completed a professional certification programme, you will always have an opportunity to take on additional modules to help you remain relevant in the face of a fast-evolving work environment. For example, the Chartered Institute of Marketing only recently introduced a module on Sustainability which is a growing global trend. Today, every marketer is expected to understand digital marketing which only became a thing about a decade ago.

4. Freedom to explore

We all know someone who studied a course at the University either because it was offered under government sponsorship or because an uncle who seemed successful at the time was in that line of work, so you decided to take on a degree in social sciences. If you finally discovered your passion or found yourself in a career with no qualification to show for it, certification gives you an opportunity to switch and stand tall in your chosen career path as a certified project manager, marketing expert and the like.

Ultimately, a professional certification could be just what your resume and business need to propel you to the next level.

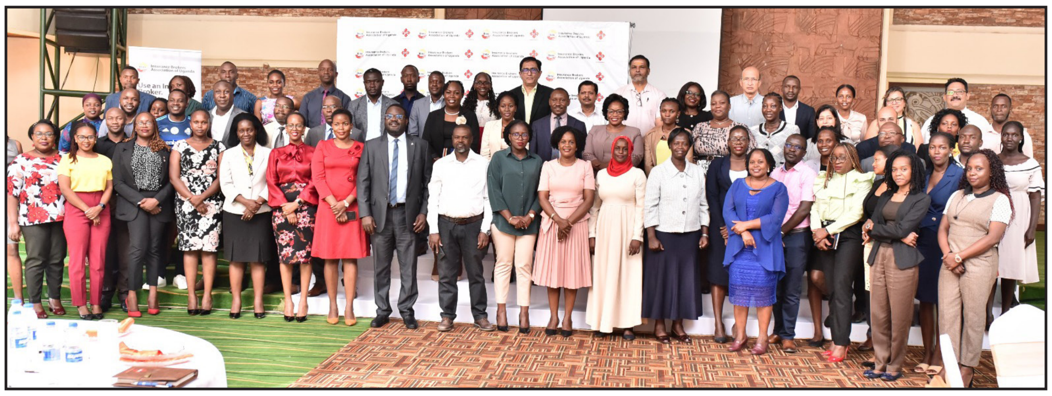
Insurance Stakeholders Brainstorm to Bridge a Gap in the Health Sector

In response to the glaring gap in health insurance coverage in Uganda, insurance industry stakeholders recently convened to brainstorm on strategies to address this issue and expand their product offerings to serve the critical healthcare sector.

Paul Muhame, Chairman of the Insurance Brokers Association Uganda (IBAU), revealed that IBAU and AAR Insurance Uganda held a productive breakfast meeting where they exchanged ideas on bridging the healthcare insurance gap. Muhame emphasized the importance of prioritizing health insurance, citing the experiences of individuals who have faced hardships due to inadequate coverage.

"AAR was able to share with us the affordable products they have when it comes to health insurance, we were able to share the plights and the needs that the community, industry, and clients have when it comes to health insurance. We do know that we need to give health a priority in our lives because all of us have had people who have been sick and those we have lost, sometimes because they did not have the right cover," he explained.

Muhame stressed the opportunity for collaboration between IBAU and AAR Insurance Uganda to offer affordable health insurance products to all members of the community, ultimately improving accessibility and ensuring that individuals and families are adequately covered.



Mr. Christopher Bakesiga Mugisha Business Manager, IBAU

L - R: Ms. Josephine N Kasekende, Principal Officer, MIC Global Risks, Ms. Christine Nassuna, Managing Director, AAR Insurance, Ms. Ritah Mutesi Kabayiza, Executive Director at Wills Towers Watson Uganda, Paul Muhame, Board Chairman, Insurance Brokers Association of Uganda during the breakfast meeting at Golf Course Hotel Kampala recently.

One of the key challenges discussed during the meeting was the limited adoption of health insurance by families and individuals, with most coverage being provided by corporations for their employees. Both IBAU and AAR Insurance Uganda are committed to closing this gap by promoting individual and family health insurance plans.

Christine Nassuna, Managing Director of AAR Uganda, highlighted their efforts to provide Ugandans with access to high-quality healthcare through various products, including hospital cash and the AAR kitanda service. She also acknowledged the issue of fraud in medical insurance and revealed that technological solutions were being developed to tackle this problem effectively.

"We have rolled out quite a number of new products and we have rolled out more products for Ugandans to access high-end hospitals and services with products like hospital cash and AAR kitanda," she said.

At present, the Ugandan government plans to implement compulsory health insurance for all citizens by 2025 through the proposed National Health Insurance Scheme (NHIS). This move is intended to address the ongoing challenges in healthcare accessibility and affordability.

According to Alhaj Kaddunabbi Ibrahim Lubega, CEO of the Insurance Regulatory Authority (IRA), health insurance is currently the fastest-growing segment of the insurance industry in Uganda. It has become a valuable bargaining tool for employers, boosting staff productivity. However, the uptake of health insurance among the general population remains less than 1%, signifying the pressing need for expansion.

Lubega pointed out that access to quality healthcare remains a significant obstacle for many Ugandans, especially those in rural areas and urban impoverished communities.

High out-of-pocket healthcare expenses have forced individuals to sell their assets, pushing them further into poverty. This issue became particularly pronounced during the COVID-19 pandemic, as many struggled to cover hospital bills.

"Many Ugandans are struggling with high out-of-pocket expenditures, which have forced some people to sell their properties to pay for healthcare. This was very much pronounced during COVID-19 where relatives of people who contracted the virus had to sell off assets to pay hospital bills and this has contributed greatly to keeping people in poverty," he said recently

The primary objective of the National Health Insurance Scheme is to shield Ugandans from unexpected and exorbitant medical costs by enabling them to pay affordable premiums and receive necessary treatment when required.

Statistics from the Insurance Regulatory Authority (IRA) indicate significant growth in the life insurance business and health membership organizations in recent years.

Life insurance premiums grew by 26.77% from 2018 to 2019, reaching Sh276.32 billion. Health Membership Organizations, focused on medical insurance, also saw an 8.9% growth during the same period, totaling Sh75.26 billion and accounting for a 7.74% market share.

These developments are occurring concurrently with the government's plans to institute mandatory health insurance for all Ugandans by 2025, underlining the urgency and relevance of ongoing discussions about healthcare coverage and its future in the country. As Uganda takes steps towards addressing these issues, the collaboration between insurance stakeholders like IBAU and AAR Insurance Uganda represents a positive stride toward a healthier and more financially secure future for all citizens.

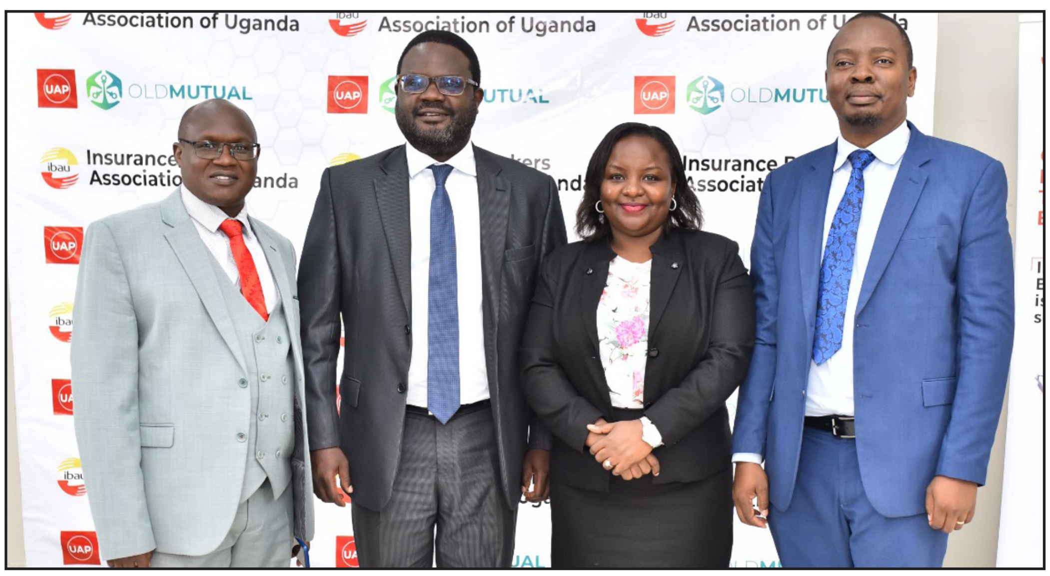
Encouraging Innovative Solutions to Boost Insurance Penetration

In a recent gathering, stakeholders in the insurance sector were called upon to explore innovative approaches that would enhance insurance penetration across the nation.

Protazio Sande, the Director of Planning, Research, and Market Development at the Insurance Regulatory Authority of Uganda (IRA), expressed concerns about the industry's sluggish pace of innovation.

Sande emphasized that technological advancements have made data more accessible, thereby underscoring the need for the industry to adapt swiftly to changing dynamics.

"Our rate of innovation in terms of coming up with products is a bit slow, technology has made it very easy for us to access a lot of data even when you have not invested in collecting it is available," he said



Patrick K. Kimathi Managing Director, UAP Old Mutual Life Assurance, Paul Muhame, Board Chairman, Insurance Brokers Association of Uganda, Ms.Carolyne Tayebwa, Business Development Manager and James Maguru, General Manager. UAP Old Mutual Insurance

Sande pointed out that insurance brokers who prioritize quality data have achieved success, but competition is fierce due to readily available data and stringent regulations.

He stressed the crucial role of brokers as risk managers, highlighting the necessity of data for informed decision-making and analysis. Moreover, he urged brokers to strategically position themselves in the market, considering that their market share has remained relatively stable.

The Chairperson of the Insurance Brokers Association Uganda (IBAU), Paul Muhame, praised UAP Old Mutual for their commitment to employee training and resource provision to educate the insurance fraternity.

Muhame stressed the importance of keeping members up to date with industry developments, especially in light of stricter regulations. He lauded workshops like the one held, as they contribute to industry improvement, with Old Mutual emerging as a key player in this endeavor.

"As an insurance broker we need most of our members up to date, as a fraternity as we build capacity, we also a number of compliances we have to go through especially now the regulator is tougher," he said

Muhame also noted the steady growth in the market and expressed the industry's desire to further expand by enhancing awareness and addressing limitations. Patrick Kimathi, the Managing Director, and James Maguru, the GM of UAP, extended their appreciation to brokers for their business and promised to explore innovative solutions to foster the growth of the insurance industry.

Last year, six insurance firms were recognized for their innovative contributions at the second edition of the Insurance Product Innovation Awards. Kenbright Insurance Brokers received accolades for their innovative Vehicle Platform solution. Dr. Isaac Nkote Nabeta,

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16.5%
2023

63.2%
2018/19

Insurance premiums grow by 16.5 percent in the second quarter of 2023

Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive Officer, Insurance Regulatory Authority of Uganda

Uganda's insurance sector has grown by 16.5 percent in premium in the second quarter of 2023. The premiums increased from sh711.6billion in the second quarter of 2022 to sh828.9bn during the reporting period.
Alhaj Kaddunabbi Ibrahim Lubega, the Chief Executive officer of Insurance Regulatory Authority of Uganda who was announcing the second quarter 2023 Insurance Industry performance results at IRA head offices in Kampala, said the 16.5% growth, is a reflection of the sector's attraction of more customers committing more money to purchase of insurance.
He said the steady growth is worthy of acknowledgement as the results indicated that, as at the end of June 2023, Non-life business generated sh510.1billion growing from sh309.8billion in Q1 2023 (representing about 56.8% of the total premiums from the same segment in the full year, 2022 (i.e., sh898.10 billion).
When compared with premiums from non-life generated in Q2 of 2022 (i.e., sh446.6billion), the current performance represents a 14.2% growth. On the other hand, Life insurance business generated sh291 billion growing from sh147.3billion in Q1 2023 (representing about 58% of the total premiums from life segment underwritten in 2022 i.e., sh501.6billion).
According to Kaddunabbi, when compared with premiums from life generated in Q2 of 2022 (i.e., sh242.7billion), the current performance represents a 19.9% growth.
HMOs generated sh27.3billion growing from sh16.6billion in Q1, 2023 (representing about 71.3% of the total premiums underwritten by HMOs in 2022 i.e., sh38.3billion).
Accordingly, when compared with the corresponding period in 2022 where sh22billion was underwritten, the current performance represents a 24.1% growth.

Microinsurance grows

The microinsurance business generated sh462.63million growing from sh117.51million in Q1, 2023.
When compared with the corresponding period in 2022 where sh317.4million was underwritten, the current performance represents a 45.8% growth.
In terms of market composition, Non-life accounted for 61.6% and Life, 35.1% of the aggregate industry premiums underwritten in the report period. The rest of the classes combined accounted for 3.3%.
Overall, the industry continued to grow favorably, increasing from sh 711.6billion in Q2 2022 to sh 828.9billion in Q2 2023, representing a 16.5% increase during the reporting period.
Kaddunabbi noted that widening (more customers) and deepening (more average spend) of the insurance sector remains their strategic focus both in the short and medium term.

Claims Payouts

Gross claims paid on account of both life and non-life (including HMOs) accounted for 37.6% of the total premiums registered in Q2,2023 (equivalent to sh 311.3billion compared to 43.7% of total premiums registered in Q2, 2022. We shall continue to examine the trends as the year progresses and ensure that all payable claims are paid, and in good time.
"We will continue to pay more attention to claims and claims processes to ensure that all payable claims are paid (and in time)," he noted.

Bancassurance

During the quarter ended June, 2023, the gross written premium collected through the Bancassurance distribution channel was sh 83.6billion compared to sh 62.1billion in Q2, 2022 representing a 34.5% growth and an overall contribution of 10.1% to total industry premium in Q2, 2023.

Marine insurance

During the event, Kaddunabbi revealed that when Marine insurance implantation is affected on October 1, 2023, after harmonising with (URA) Uganda Revenue Authority and other stakeholders on payment modalities and premium rates, it is likely to boost uptake of insurance in the sector.
During the event, he also said that when Marine insurance implantation is effected on October 1, 2023, after harmonising with URA and other stakeholders on payment modalities and premium rates, it is likely to boost uptake of insurance in the sector.

Outlook

The BOU forecasts show that inflation was between 6 to 10% from January to June, 2023 with an average of 7.9% during the period.
Whereas the reduction in inflation did not revert to the medium-term target of 5%, if sustained, Kaddunabbi said it is likely to catalyze economic growth and demand for insurance.

Sector's Focus

In addition to digitization of their supervisory activities, Kaddunabbi said the authority has embarked on the process of ISO 9001 certification which is aimed at enhancing our internal processes to deliver improved regulatory services to the sector.
He emphasized provision of technical support to potential innovators to ensure that cost-effective solutions that address distribution and access challenges are addressed.

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Chairperson of the IRA Board, used this occasion to urge the government to consider tax exemptions to promote innovation within the insurance sector.

Experts emphasize that innovation is the key to the sector's growth and resilience in a dynamic market environment. It enables companies to gain a sustainable competitive advantage and respond effectively to evolving consumer preferences, complex business landscapes, changing market dynamics, and advancing technological trends.

Hon. Amos Lugoloobi, the Minister of State for Planning, applauded industry players for organizing such awards and stressed that maintaining a competitive edge requires insurers and businesses alike to develop cutting-edge products and services that deliver better performance, efficiency, and effectiveness for customers.

"To maintain a competitive advantage, insurers, and indeed all businesses in the country, must develop cutting edge products and services that are better performing, more efficiently delivered and more effective for their customers," he said.

Sande Protazio, Director of Planning, Research, and Market Development at the Insurance Regulatory Authority of Uganda (IRA)

Dr. Isaac Nkote, speaking at the event, called upon the government to create a conducive environment by granting tax exemptions to encourage innovation in the insurance sector.

He emphasized that collaboration between insurance players and the government to determine which taxes to exempt could expand the industry and ensure insurance services reach all corners of the country.

Ms.Carolyne Tayebwa, Business Development Manager, Mr. Christopher Bakesiga Mugisha Business Manager, IBAU, Caroline Owomuhangi, Marketing and Communications, UAP Old Mutual Insurance

"We appeal to government to create a round table where insurance players can sit with the government to agree on which taxes to exempt insurers so as to encourage more innovation and ensure that insurance services reach every part of this country," he said.

He added: "When there is more business you get more taxes than taxing the little business, which also hinders the progress of insurance uptake in the country."

Nkote added that fostering more significant business activity generates higher tax revenue, which ultimately promotes insurance uptake and industry progress.

UgandaRe holds awareness week through blood donation

Uganda Re, a prominent reinsurer in Uganda, has been actively engaged in corporate social responsibility (CSR) campaigns over the years, with the recent ones partnering with the Institute of Certified Public Accountants of Uganda (ICPAU). These initiatives have not only contributed to societal welfare but have also played a role in shaping the insurance landscape in the country. We recently had the opportunity to sit down with **Ronald Musoke, the Chief Executive Officer of Uganda Re**, *to discuss their CSR activities and the future of the insurance sector.*

Every year, during the annual accountants' conference, you hold CSR activities. What is your focus for this year?

This year marks the third time we are partnering with ICPAU for our CSR initiatives. Our approach involves incorporating an insurance aspect into each of these campaigns. We invite insurance industry colleagues to participate and showcase their products and services which creates an opportunity for them to tap into new business opportunities. As we do not directly interact with consumers of our products and services, this platform allows insurers and brokers to engage with prospects and which indirectly benefiting us as Uganda Re. Our CSR activities also include a blood drive so where we have big numbers like the Accountants' conference, it creates an opportunity for blood donation. For all our CSR activities, our primary goal is to enhance visibility for our insurance sector as we give back to society.

What inroads have you gained from these CSR campaigns over the years?

Directly attributing premiums to our CSR activities can be challenging since we do not engage with consumers of our insurance products and services directly. However, we believe that our initiatives contribute to the overall growth of the insurance industry through the business generated by insurance companies. We aim to address the misconception about insurance and create opportunities for growth by partnering with other sectors. Our focus is to have questions about insurance answered, as it remains one of the most misunderstood sectors. We are satisfied with our CSR partnership with ICPAU over the years and we've gained recognition and visibility in the process.

How good is your partnership with accountants, given your different focuses? What impact can this partnership create?

Accountants are often perceived as watchdogs rather than enablers of business. However, we see them as valuable business partners who can guide organizations towards improvement and growth. They assist in areas such as taxation, which can be complex for many companies. By working closely with accountants, we can achieve better results having invested lots of funds in the business. We should not view them as police officers but rather as allies in business growth.

Ronald Musoke, chief executive officer, UgandaRe addressing participants at the 28th Annual Seminar

A Doctor attends to one of the participants at the medical camp

Dr. Paul Kagwa from the National Blood Bank, Nakasero

Participants donating blood at the Annual Seminar medical Camp

What key challenges have you faced, and how have they impacted your business?

One significant challenge is collecting premium for business written. While we expect premiums to be paid, collection can be challenging. However, our business partners also face difficulties collecting premiums from their clients which we are mindful of so we need to work towards making sure that the cash and carry regime which was introduced by the Insurance Regulatory Authority is enforced.

There are also other issues relating to the global geo-political factors which have disrupted business operations not only for Uganda Re but also all our business partners. These have resulted in increased cost of doing business and thereby reducing profits.

What place does technology occupy in shaping the way you do business?

Technology plays a crucial role in our operations and business continuity. We've invested in enhancing our technological infrastructure to improve the way we conduct business. The pandemic highlighted the importance of IT infrastructure in ensuring business continuity which good enough we had already invested in but needed to be enhanced. We constantly work to improve our systems and processes to serve our clients better.

Where do you see Uganda Re in ten years?

In the next decade, we aim to continue building our reserves to ensure financial stability. We plan to continue expanding our reach beyond Uganda since our portfolio is currently 95% domestic and 5% foreign. We also aim to diversify into the non-conventional lines of business by partnering with foreign business partners with capacity in those lines, as encouraged by the regulator. Overall, our vision is to grow and provide comprehensive insurance solutions while maintaining capital adequacy.

As Uganda Re continues to evolve and innovate, it remains committed to its CSR initiatives and the growth of the insurance sector in Uganda and the broader East African region. The future holds opportunities for expansion, enhanced technology integration, and a deeper understanding of the insurance sector among the public.

First Insurance Company, is one of the leading insurance service providers in Uganda,

one that has touched the hearts of many over the years. The company recently decided to delve into several other areas of insurance, and has already received funding to meet the capital regulation requirements, by the regulator- the insurance Regulatory Authority of Uganda. **Finance and Trade** *spoke to Jeff Thomson, Executive Director of FICO and below are the excerpts.*

There seems to be a lot of excitement at FICO, the reason for which the public should know what is happening. What are you preparing for?

We have just been capitalized. We have received a new capital injection to meet the new capitalization regulation, and now we are embarking on a program to expand our product offerings through our agents. While most of our focus is on the third-party motor product, our clients have various needs they aren't aware of how to fulfil, so we are training our agents to meet those needs. This capital injection serves two purposes: it provides the funds for training and enables us to take on more policies since we can handle more and larger risks.

With this recapitalization, we have ambitious plans, many of which require approval from the Insurance Regulatory Authority (IRA). However, these plans will undoubtedly elevate our position in Uganda. Currently, we have about 120 agents, but by the end of the year, we expect to have around 160 agents. Several prominent organizations are interested in having our presence in their locations.

The recapitalisation will also permit us to reorganise for growth, with new management, and in due course will enable us to launch a rebranding program, to further highlight to the public the benefit of working with FICO. We are also part of an oil and gas consortium, and while we anticipate some business from it, our primary aim is to expand our general business, as we are now very well-prepared for the market.

I saw you rewarding your agents. What was that specifically for?

We rewarded agents who have been loyal to FICO for a considerable time, contributing significantly to the growth of our third-party business. Presently, we are one of the largest providers of third-party insurance in Uganda, largely thanks to the dedication of our agents.

Your performance is not bad, and actually, it has been growing over the recent past. What is driving this kind of performance?

Our performance is good! A favorable regulatory environment and sound policies have certainly played a part. However, we've also built a reputation for providing excellent service. For instance, we are known for our prompt claims processing, and our customer service is among the best. If you examine the regulator's reports, you'll find that FICO is one of the companies that rarely receives complaints.

How do you manage claims efficiently, especially in the light of the risk of fraudulent claims?

Naturally, we are aware of issues like fraud, but we take due diligence in the form of know your customer ("KYC") very seriously right from the underwriting stage. By ensuring all client information is transparent from the start, we have most of what we need at the time of the claim. Clients are also educated about what to expect during the claims process, which helps expedite settlements. When clients submit claims, we conduct thorough examinations and in most cases they are settled very quickly, well within regulatory guidelines.

How is the market responding, given that the economy is still grappling with the post-covid effects?

Insurance tends to reflect the state of the economy rather than drive it. While economies worldwide are struggling to recover from the COVID-19 pandemic, the insurance sector has also faced its share of challenges. Many businesses, such as the travel industry, are taking time to bounce back.

For instance, if you are insuring vehicles used for transporting people, you face numerous challenges. However, it's worth noting that we are almost back to pre-COVID levels. Currently, we are on an upward trajectory. General insurance is growing at about 9%, and life insurance is growing even faster. I would say the economy is growing at a similar rate, gradually returning to pre-COVID levels, despite the impact of the Russia-Ukraine war.

And now, given the capital strength of FICO, we are well placed to leverage the economic improvement, benefiting from and contributing to, this economic growth. Thank you for the opportunity to brief you on our plans.

Kajjumba Jascent receiving an accolade from Joseph Nsubuga, Acting chief executive officer, First Insurance Company Ltd.

Jeff Thomson, Executive Director, First Insurance Company Ltd addressing Agents

Ssonko Twaha receiving an accolade from Louis Mukasa, Head of Marketing, First Insurance Company Ltd.

Uganda, gets first insurtech company to underwrite microinsurance

R - L: Christopher Bakesiga Mugisha Business Manager, IBAU, Mr. Jonan Kisakye, CEO, Uganda Insurers Association (UIA), Evelyn Anite, State Minister for Investment & Privatization, Hamza Mutebi, Genaral Manager, Turaco Insurance, Paul Muhame, Board Chairman, Insurance Brokers Association of Uganda and Emmnual Mwaka, Chief Executive Officer at ICEA LION Life Assurance Company (U) Limited

Turaco has been licensed to underwrite microinsurance in Uganda. The insurtech company becomes the first to acquire this underwriting license.

During the official launch and license handover ceremony that was held at Golden Tulip Hotel in Kampala, Turaco Microinsurance Company's General Manager and Principal Officer, Hamza Mutebi, said their aim is to reach unserved and underserved Ugandans through providing affordable and simple microinsurance products.

"Turaco will design and distribute simple products that target the key risks majority customers face. The customers will pay premiums starting at just sh1,000 per month. This is in line with its global mission of insuring 1 billion people," he said.

"We are proud of acquiring our license. It is a major milestone. This means we are now allowed to both design and distribute affordable products that are simple and accessible, expand our reach to even more underserved people and leverage our technology to quickly pay claims using simple channels such as WhatsApp," said Mutebi.

Turaco revealed that they will offer terms and conditions that are simple enough to fit three SMS messages, such that even first-time insurance customers are able to understand their policy and what is covered. "We want to make it easy to sign up by integrating with distribution partners' systems via API. Customers will be able to access insurance through a simple touch of a button and we will process and facilitate the payment of claims in just hours to build customer trust in the sector," Mutebi explained.

IRA; Prioritise innovation

The Insurance Regulatory Authority (IRA) called for prioritization of innovation in microinsurance in order to reach those that are uncovered.

Bernard Obel, IRA's director supervision, said microinsurance aims to benefit a population group that often lacks knowledge about insurance. "As regulators, we must facilitate insurers in developing simple products that the poor can easily understand. We will work with Turaco and the insurance industry as a whole to develop products, define governance, and establish service standards," he said.

Obel added, "Health emergencies can be devastating for base-of-the-pyramid households in Uganda, as low financial resiliency often leaves them vulnerable to unplanned health costs. Without appropriate methods to cope with financial shocks, an alarming 14 million low-income households are pushed into poverty every year due to out-of-pocket health expenditure."

Obel also pointed out that the sector needs more technological innovation to drive the uptake of insurance in Uganda.

He argued stakeholders to use technology like mobile phones to sell insurance. "Someone made research and discovered that many professionals in insurance are not bothered much about selling microinsurance. For every insurance company, we require that there must be a certain amount of premiums that come from microinsurance," Obel noted.

He added, "We must recognise that most of the people in our market are low-income earners so we can not only continuously target corporate companies while neglecting this population segment."

Microinsurance marginally declined in 2022.

In 2022, microinsurance companies generated sh0.611bn marginally reducing from sh 0.657bn in 2021(registering a decline of 7%). Notably, microinsurance accounted for 2.7% of the market share, compared to 4.2% in 2021. IRA's CEO, Kaddunabbi Lubega said the reduction in growth may be attributed to competitive pressures on incomes especially at the lower income pyramid brought about by increasing costs of living.

In the year 2022, a total of 2,475,657 Ugandans were covered. Considering UBOS' estimated population of 45.5m, uptake is 5.4% of the total population.

This means that insurance penetration slightly improved by 0.08% from 0.796% in 2021 to 0.876% in 2022 according to IRA statistics. In sub-Saharan Africa, currently only 2% of people are insured.

Efficient Tribunal Resolutions: 9 Years of Resolving Insurance Disputes

Inaugurated in March 2022, the Insurance Appeals Tribunal is already playing a pivotal role in resolving a series of intricate cases arising from disputes within the insurance industry. These cases have necessitated a thorough examination of facts and the application of legal principles to ensure the fair implementation of insurance policies and regulations.

In this overview, we explore six notable cases adjudicated by the tribunal, shedding light on their complexities, legal intricacies, and the outcomes achieved.

In the case of MUA (U) LTD V AGRI EXIM LTD, the respondent emerged victorious, with the appellant ordered to pay a sum of USD 37,000 (equivalent to over sh138m). The dispute revolved around a fidelity guarantee policy, where the appellant had committed to indemnify the respondent in the event of defined policy breaches. However, dissatisfaction with the Insurance Regulatory Authority's (IRA) decision prompted the appellant's appeal.

The tribunal overturned IRA's findings, emphasizing the necessity of concrete evidence of fraud, such as police reports or independent assessors' reports, to substantiate allegations of dishonesty. Lack of such evidence led the tribunal to reject IRA's conclusion of fraud, thus favoring the respondent.

In the case of Placid Byabagambi V NIC General Insurance Company Limited, the tribunal resolved a longstanding fourteen-year motor comprehensive insurance dispute. It began when the appellant, holding a motor comprehensive policy, filed a claim after an accident. Disputes arose over the computation of the claim, outstanding premiums, and court suits.

The tribunal determined that the appeal response was timely filed, dismissed the limitation argument, adjusted the claim amount to include towing charges, and ordered the appellant's compensation, interest, and costs.

Members of the insurance Appeals Tribunal presenting their maiden annual report to the Minister for Finance, Hon. Matia Kasaija

Mrs. Rita Namakiika Nangono, Chairperson, Dr. Bbale John Mayanja and Ms. Solome Luwaga, Member, Insurance Appeals Tribunal

Mrs. Rita Namakiika Nangono, Chairperson, Insurance Appeals Tribunal

Similarly, in APA INSURANCE (U) LIMITED V MOIL (U) LIMITED, a motor insurance policy was the center of the dispute. An accident in Tanzania led to an insurance claim, and investigations revealed discrepancies in the motor vehicle's condition. The respondent appealed IRA's decision to award the claim, while investigations into the incident were still pending.

The tribunal found that the appellant did not repudiate the claim but delayed payment due to ongoing investigations. It emphasized that the insurer had the obligation to investigate fully and that undue delays should be avoided while balancing thoroughness.

In the Rosette Asiimwe Vs UAP OLD Mutual LIFE Assurance case, a ten-year life assurance policy was contested. The appellant claimed to have paid premiums consistently but faced issues with premium receipts and interest charges. She eventually sought to surrender the policy, sparking disputes over the payout amount.

The Tribunal found that IRA's decision, initially favouring the appellant, was reversed improperly and within an extended timeframe, contravening the guidelines. The computation of the claim amount was also considered inadequate, leading to a judgment in favor of the appellant based on 83 months.

In the case of an accident involving UAP Old Mutual and Africa Queen No.1 Distributors Limited, the respondent claimed compensation for an employee's injuries. The appellant disputed the claim, arguing it should be covered under a different policy.

The tribunal determined that the injury occurred outside working hours and wasn't eligible for workers' compensation but rather under a group personal accident policy.

Finally, the case of ICEA Lion General Insurance CO. Limited Vs Shark Media Limited involved an all-risk insurance policy. A power surge damaged equipment, leading to a claim dispute. Multiple assessments and delays followed.

The tribunal found that the appeal was filed beyond the stipulated time, rendering it incompetent. It stressed the importance of following proper appeal procedures. The case highlighted the necessity of thorough investigations by insurers before denying claims.

These cases exemplify the tribunal's role in resolving complex insurance disputes, ensuring fair outcomes, and upholding the principles of natural justice. A detailed text of these cases can be found on the Tribunal's website www.iat.go.ug.

How new financial reporting approaches will affect Uganda's insurance sector

Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive Officer of the Insurance Regulatory Authority of Uganda

Uganda's insurance sector has adopted new reporting systems and amendments to existing regulations to boost the industry's resilience in the market.

The new standard, IFRS 1, is an International Financial Reporting Standard that was issued by the International Accounting Standards Board in May 2017. It replaces IFRS 4 on accounting for insurance contracts.

Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive officer of Insurance Regulatory Authority of Uganda, revealed during a stakeholder meeting at Africana in Kampala on Tuesday that the standard has an effective date of January 1, 2023, with earlier application permitted as long as IFRS 9 is also applied.

According to Kaddunabbi, adoption of IFRS 17 means that Uganda will be on the same level regarding the standardization of the reporting requirements worldwide.

He said the new standard has been enhanced, standardized, upgraded and expanded to see that reporting is all the same throughout the world.

"Insurance companies are bought all over the world. So, if someone is in Europe and they want to buy some shares or buy the entire company which is in domiciled in Uganda, he must trust that when he looks at the reports, they are at the same standard as those in Europe," he noted.

As an insurance regulator, he said the standard can comfortably help them to know the entities with capacity and those with solvency indicators. "This is intended to ensure that we deal with only serious companies that have the same way of speaking financially," Kaddunabbi clarified.

However, he emphasized that "Effectively implementing IFRS 17 requires that the insurance companies in Uganda have risk-based capital in order to underwrite more business as regulations which we have started implementing are strong regulatory requirements which are talking to the risk-based supervision."

Uganda on course

Based on the meeting of the regulators of southern, eastern and central Africa at the close of last year, it was confirmed that Uganda was ahead of all other players in Africa except South Africa, in implementation of IFRS 17.

Elias Omondi, a policy and regulatory expert based in Kenya praised Uganda on the progress and appealed to players to be more interested in what is required of the standard.

However, Omondi warned that this will require the insurance companies to invest enough money and resources so as to meet the requirement.

"Uganda has done a lot to bring the industry together, through a number of trainings to ensure adoption, prepare templates, come up with regulation to spearhead the adoption, and prepare the tools that will be used," he said.

The objective, he said, is enabling transparency and comparability with other companies within the financial sector players. "This brings in the international aspect and improves the sector while attracting more investors," Omondi added.

> Companies will be required to develop new or adapt existing acturial models,implement new softwares systems, leverage opportunities for automation and expand existing financial reporting processes of fit into IFRS 17 standards

More mergers, acquisitions expected

The introduction of IFRS 17 may also create opportunities or challenges for mergers and acquisitions (M&A) within the insurance sector.

For example, some insurers may want to acquire or release certain portfolios or businesses to optimize their capital position, profitability, or market share under the new standard.

However, M&A transactions may also become more complex and costlier due to the different measurement models, transition options, and accounting policies that insurers can choose to apply under IFRS 17.

Kaddunabbi said Uganda's insurance sector is likely to experience mergers and acquisitions (M&A) in the next couple of years.

"With IFRS 17 taking root, I see more mergers in the next two to three years, which is good. IFRS 17 as I told you is a detailed financial requirement which means you must inject in money or you must go for merger or acquisition," he explained.

Ernest Magezi Barusya, an actuarial expert and chief executive officer of Kenbright Uganda said the impact of IFRS 17 on M&A may vary depending on the specific circumstances and strategies of each insurer.

"The actual impact of IFRS 17 on M&A will depend on how insurers adapt to and implement the new standard, as well as how the market reacts to it," Barusya said.

He listed some possible factors that could influence M&A activity:

a. The change in key financial metrics under IFRS 17, such as revenue, profit, equity, and solvency. These metrics may affect the valuation and attractiveness of potential targets or acquirers, as well as their ability to raise capital or debt for M&A transactions.

b. The product strategy and pricing under IFRS 17, which may require insurers to review and redesign their existing or new products to optimize their profitability and risk profile under the new standard. This may create opportunities for insurers to acquire or divest certain product lines or markets that are more or less profitable or competitive under IFRS 17.

c. The tax implications of IFRS 17, which may differ from the current tax regime based on IFRS 4. The tax impact of IFRS 17 may depend on the local tax legislation and the alignment or mismatch between the accounting and tax treatment of insurance contracts. This may affect the tax position and cash flow of insurers, as well as the tax implications of M&A transactions.

d. The investor relations under IFRS 17, which may require insurers to communicate effectively with their shareholders and analysts about the impact of the new standard on their financial performance and position. This may affect the market perception and confidence of insurers, as well as their access to capital markets for M&A transactions.

According to Barusya, one of the main impacts of IFRS 17 is enhancing the role of actuaries in financial reporting.

Therefore, actuaries will have to provide more input and analysis on the valuation of insurance liabilities, the recognition of profit, the risk adjustment, and the disclosure of assumptions and uncertainties.

This will require more collaboration between actuaries and accountants, as well as more transparency and consistency in the actuarial methods and data used.

Luckily, the insurance regulatory authority through the Actuarial Association of Uganda (AAU0 is already championing the growth of actuarial expertise within the Uganda insurance market.

Insurance sector faces growing customer dissatisfaction- Survey

A recent survey conducted by the Insurance Regulatory Authority (IRA) has revealed concerning levels of customer dissatisfaction within Uganda's insurance industry. The findings have raised questions about the sector's ability to meet the expectations and demands of policyholders.

The survey uncovered that between 33% and 42% of current insurance policyholders expressed dissatisfaction with the service they have received. The levels of dissatisfaction varied among different insurance companies and policy types, indicating a need for industry-wide improvements.

According to the Insurance regulatory Authority (IRA), who conducted the survey, one of the most significant sources of discontent among policyholders is related to claim settlement processes.

"Instances of delayed claims and cumbersome procedures have led some customers to abandon legitimate claims. In one case, a policyholder had to visit the insurer's office eight times to obtain a discharge voucher, resulting in an additional 29-day delay in receiving the claim payment. Such experiences have been cited as major reasons for customer dissatisfaction and frustration," said Ibrahim Kaddunabi Lubega, the IRA chief executive officer, while releasing the findings at the

Kampala Serena hotel recently.

The survey also highlighted the lack of transparency during the policy signing process. Kaddunabbi said many policyholders reported that insurance agents rushed through the paperwork, leaving them with policies they didn't fully comprehend. He stressed the importance of insurers taking the time to explain policies to prospective policyholders to prevent misunderstandings and disillusionment.

He noted that in today's increasingly informed society, customers are more aware of their legal rights. He pointed out instances where clients were asked to switch hospitals due to insurance approval issues, underscoring the need for insurers to be clear about the services covered by policies.

Kaddunabbi said Several factors were identified as influencing customer satisfaction. These include reasonable pricing, efficient claims management, the competence of staff handling customer issues, policy relevance, transparency, clear terms and conditions, convenience, reliability, and ease of understanding the product.

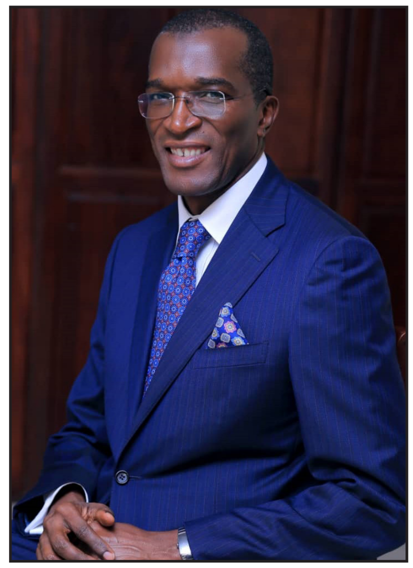
Challenges faced by Policyholders

The study also revealed that delayed payments could lead to frustration and financial difficulties for policyholders.

Mis-selling by ill-informed agents who fail to provide essential information about policy obligations, benefits, rights, terms and conditions, claims processes, and complaints procedures was another significant concern.

While releasing the finding, Kaddunabbi provided a series of recommendations aimed at enhancing customer satisfaction within the insurance industry.

"Prioritize timely claims payment



Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive Officer, Insurance Regulatory Authority of Uganda

as a strategy for business growth. Secondly, improve communication by notifying policyholders about premium receipts and policy-related information. I also urge you to provide regular statements to policyholders to keep them informed about their policy status," he advised.

Kaddunabbi added that insurers should develop incentives for clients who maintain policies without making claims, and simplify procedural complexities for policyholders. Additionally, he said insurers should explore digitalization for smoother transactions.

The survey highlighted the need for the insurance sector to address these issues related to rebuilding trust and confidence among its customers. However, despite these challenges, the sector experienced strong growth in 2022, indicating its potential for further development and success.

Jubilee Holdings doubles its interim dividend to Sh145m

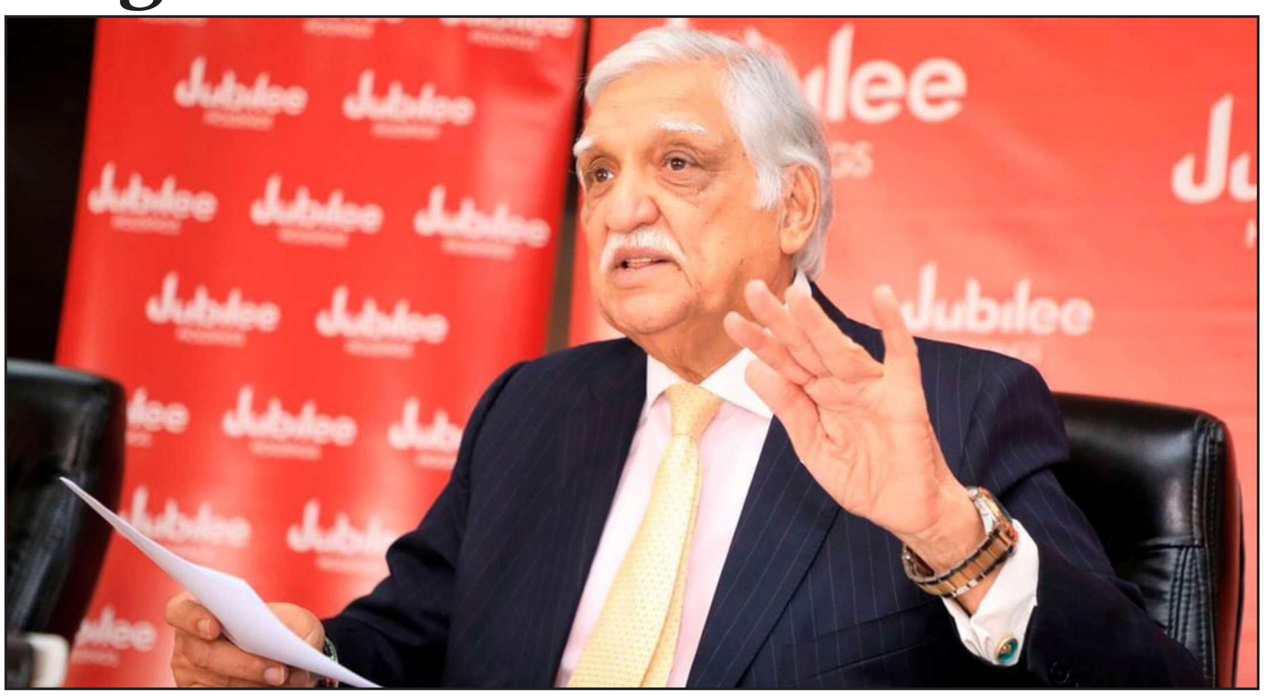
Jubilee Holdings has doubled its interim dividend to Sh2 per share or a total of Sh144.95 million for the half-year ended June, joining the list of a few other listed firms that are making cash distributions to shareholders.

The rise in the interim dividend from Sh72.4 million came on the back of gross insurance service revenues rising 11.4 percent to Sh9.8 billion.

Net earnings however declined on the adoption of a new accounting standard and the sale of majority stakes in its general underwriting businesses to Allianz SE which had boosted the previous year's results through gains.

Jubilee said it will pay the interim dividend on or about October 11 to members on the company's register at the close of business on September 8.

The insurer posted a 47.8 percent drop in net profit to Sh2.04 billion in the review period on the back of the adoption of the International Financial Reporting Standard (IFRS) 17 and the absence of the Sh1.61 billion one-off gain that was booked



Jubilee Holdings Limited Group Chairman Nizar Juma

in a similar period last year on disposal of subsidiaries.

"When implementing IFRS 17, Jubilee Holdings has adopted a prudent approach to the new standard to ensure less volatility and sustained profits in future," said the insurer.

IFRS 17, which has replaced IFRS 4, requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

The new accounting standard, whose implementation started in January, is aimed at providing transparent reporting about an insurer's financial position and risk.

Jubilee said pre-tax earnings under the old standard, excluding the one-off gain from the sale of subsidiaries, would have grown by nine percent to Sh2.7 billion compared with the 16 percent fall to Sh2.4 billion under IFRS 17.

The underwriter's insurance service expenses rose from Sh8.15 billion to Sh9.75 billion, leaving it with a net result of Sh3.4 billion compared with Sh4.37 billion in the previous half-year.

Jubilee will spend Sh2.25 billion, spread over the next five years, on digital transformation including investing in robotics, artificial intelligence and data analytics as it eyes customised covers and improved service delivery.

"Our digital transformation journey is not only about adopting technology but also a commitment to always put our customers' needs at the heart of our business," said Nizar Juma, chairman at Jubilee.

NIC HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2023

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2023

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30 June 2023 Ushs.'000	Un-audited 30 June 2022 Ushs.'000
Gross written premium	15,894,031	15,655,349
Underwriting profit	**9,852,340**	**8,216,360**
Investment and other income	2,582,249	1,995,679
Fair value gain/(loss) on financial assets at fair value through profit & loss	43,886	721,568
Net movement in Life and DAP funds	-	(645,847)
Management expenses and Finance Cost	(7,144,236)	(6,166,844)
Finance Cost- Loan interest	(760,350)	-
Finance Cost- Lease interest	(120,374)	(96,279)
Impairment provision on receivables	(281,923)	(825,288)
Profit Before Taxation	**4,171,592**	**3,199,350**
Provision for Taxation	(576,623)	(616,705)
Profit After Taxation	3,594,969	2,582,646
Other comprehensive income (net of tax)		
Fair value gain on financial assets through OCI	(14,830)	288,476
	(14,830)	288,476
Total comprehensive income for the period	3,580,139	2,871,122
Basic earnings per share(Ushs)	1.69	1.22

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30 June 2023 Ushs.'000	31 December 2022 Ushs.'000
Cash and Cash equivalent	1,128,113	1,133,232
Other receivables and prepayments	2,729,320	3,283,978
Premium receivables	12,786,659	8,704,040
Deferred acquisition costs	774,179	2,038,725
Financial Assets;		
Fair value through Profit or loss	3,226,464	3,201,685
Fair value through OCI	6,316,834	6,318,913
At amortized cost	16,328,494	23,740,799
Reinsurance Assets	2,547,700	9,096,122
Investment Properties	54,718,750	54,718,749
Property and equipment & ROU Assets	14,981,405	12,517,001
Intangible Assets	79,939	95,364
Statutory deposits	1,034,598	1,301,427
TOTAL ASSETS	**116,652,455**	**126,150,035**
LIABILITIES		
Insurance Contract Liabilities	12,185,676	21,198,183
Investment Contract Liabilities	4,865,414	5,124,518
Payable arising from Reinsurance Contracts	8,433,097	8,343,694
Deferred reinsurance commission income	375,869	1,329,508
Other payables and Accruals	24,099,532	25,586,281
Income tax payable	5,209,029	4,622,625
Dividend payable	593,992	593,992
Loans and Borrowings	8,378,918	11,184,732
Deferred tax liabilities	3,072,754	3,158,698
TOTAL LIABILITIES	**67,214,281**	**81,142,231**
NET ASSETS	**49,438,174**	**45,007,804**
EQUITY		
Share capital	10,618,348	10,618,348
Share premium	67,417	67,417
Contingency reserve	7,518,865	6,875,926
Deposit for shares	1,555,000	710,000
Capital Reserves	2,878,157	2,661,522
Retained earnings	25,859,996	23,119,370
Fair value reserve	(3,964)	10,866
Assets revaluation reserves	944,355	944,355
SHAREHOLDERS' FUNDS	**49,438,174**	**45,007,804**

3. CONSOLIDATED STATEMENT OF CASH FLOW

	30 June 2023 Ushs.'000	31 December 2022 Ushs.'000
Operating activities		
Net Cash flows generated from/ (used in) operating activities	(2,380,752)	3,442,423
Investing activities		
Net Cash flows (used in)/generated from investing activities	4,836,446	(14,809,746)
Financing activities		
Net cash flow used in financing activities	(2,460,813)	11,892,361
Net increase/ (decrease) in cash and cash equivalent	(5,119)	525,038
Movement in cash and cash equivalent		
At start of the period	1,133,232	608,194
Net increase / (decrease) in cash and cash equivalent	(5,119)	525,038
At the end of the period	1,128,113	1,133,232

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ushs.'000	Share Premium Ushs.'000	Revenue Reserve Ushs.'000	Revenue Reserve Ushs.'000	Fair Value & Revaluation Reserves Ushs.'000	Capital Reserve Ushs.'000	Contingency Reserves Ushs.'000	Total Ushs.'000
At 31 December 2022	10,618,348	67,417	710,000	23,119,370	955,221	2,661,522	6,875,926	45,007,804
Profit for the period				3,594,969				3,594,969
To capital reserve				(216,635)		216,635		-
To contingency reserve				(642,939)		-	642,939	-
Other Comprehensive Income					(14,830)			(14,830)
Reclassification adjustments				5,231				5,231
Deposit for shares			845,000					845,000
At 30 June 2023	10,618,348	67,417	1,555,000	25,859,996	940,391	2,878,157	7,518,865	49,438,174

The unaudited results for the six months period ended 30 June, 2023 was approved by the Board on 26th September, 2023.

DR. ALAN SHONUBI
CHAIRMAN

BAYO FOLAYAN
MANAGING DIRECTOR

PERFORMANCE REVIEW

The group recorded moderate growth of 2% in gross written premium from Ushs 15.66 billion for the period ended 30 June 2022 to Ushs 15.89 billion in the current period. This translated to improvement in underwriting results to Ushs 9.85 billion for the period ended 30 June 2023 from Ushs 8.22 billion for the period ended 30 June 2022. Profit before tax and profit after tax for the period increased by 30% and 39% respectively due to better underwriting results and 29% increase in investment and other icome. Shareholders equity grew by 10% to Ushs 49.44 billion as at 30 June, 2023 from Ushs 41.54 billion as at 31 December 2022 as a result of the total comprehensive income for the period.

INTERIM DIVIDEND

The Board has not approved the payment of interim dividend based on the half year 2023 un-audited financial statements.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The NIC group has remained committed to our corporate social responsibility and sustainability agenda because we believe that over the years, they have been instrumental to our progress and business growth. Over the years, we have continued with our support to the NIC Netball team which extended its dominance of netball in the region by being crowned the champions of East Africa, for a record 20th time! During the half year under review, we also continued our partnership with the Federation of Uganda Football Associations (FUFA) and remained the official insurer of the national football team, the Uganda Cranes. Our support for sports development is in addition to our proud intervention in other critical areas. We are proud to partner with some of the nation's most inspiring and influential organizations such as Joint Clinical Research Center (JCRC) which we recently supported in providing critical care to a vulnerable HIV patient with a token sum of Ushs 20 million.

INCREASE IN PAID UP SHARE CAPITAL BY WAY OF RIGHTS ISSUE

At the 21st (hybrid) Annual General Meeting of the Company held on 14th July, 2022 shareholders approved a resolution authorizing the Board of Directors to increase the Company's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs30,226,191,025/-. The Rights Issue process effectively commenced in September, 2022 with the appointment of Crested Capital as Lead Transaction Adviser. The Board also appointed Kyagaba & Otatiina Advocates also known as Dentons as Reporting Solicitors, Messrs BDO, Certified Public Accountants as Reporting Accountants and SCD Registrars as the Registrars, all collectively referred to as Transaction Advisers. The Transaction Advisers will issue public announcements when the Company's Prospectus for the Rights Issue has been approved by the regulatory bodies. In the meantime, the Board is happy to inform esteemed shareholders and the public that the Company received a "No Objection" to the Rights Issue from the Insurance Regulatory Authority.

FUTURE OUTLOOK

Despite the challenging business environment caused by lingering the impact of the war between Russia and Ukraine which led to increase in the price of commodities and other macroeconomic factors, the group's gross written premium has continued to grow. This as the life business continues to suffer the impact of the suspension of the NIC Life insurance licence due to the delay in appointing a Managing Director/Chief Executive Officer. Although the life business premium declined by 54%, the group still recorded a net positive 2% growth in the half year ended 30th June, 2023 due to the 9% growth in the non-life premium. The Board of NIC Life is already implementing a recovery plan and hopes to regain its growth momentum in the shortest possible time. Our group has continued to leverage on the improvements in our ICT infrastructure and systems in delivering highly professional and customer centric insurance services. The Board is happy to note the wide public acceptance of the new digital sales platform which has brought the groups time tested insurance services closer to the public at the click of a button via the URL: https://my.nic.co.ug/. As the group continues to innovate and re-invent itself the Board hopes to continue to steer the Company and its subsidiaries in the direction of sustainable growth. The Board will remain steadfast to the group's sustainability agenda of promoting inclusive stakeholder involvement through promotion of sports and girlchild empowerment.

"NIC has applied the same accounting policies in these interim financial statements as those applied in the Company's annual financial statements. The financial statements have been prepared in accordance with the International Accounting Standards and IFRS. A copy of the half year 2023 un-audited financial statements may be obtained from the office of the company secretary, NIC Holdings Limited, Plot 3 Pilkington Road, Kampala or from the company's website: **www.nic.co.ug.**

PUBLIC ANNOUNCEMENT ON THE BOARD CHANGES AT NIC

The Board of NIC Holdings Limited (NIC) wishes to inform esteemed shareholders of the Company and the general public that following the exit of Mr. Rotimi Fashola at the 22nd Annual General Meeting held on 20th July, 2023 and the resignation of Mr. Obayomi Lawal today at the 124th Board meeting of the Company, the Board has approved the appointment of Air Vice Marshal (AVM) Walter A. Ogujiofor (Retired) and Mr. Kabir Ayinde Tukur as nonexecutive directors.

AVM Walter A. Ogujiofor is a certified military and commercial pilot. He is a graduate of Nigeria Defence Academy, Imo State University Nigeria, University of Ibadan Nigeria, Harvard Business School Boston and Fellow of National Defence College Nigeria. He is also an Adjunct Professor of Aviation Science at Texas Southern University, Houston Texas. He has held various operational and strategic management positions including as Group Managing Director of Nigeria Air Force Holdings.

Mr. Kabir Ayinde Tukur is a seasoned banker for over 35 years. He is a 1982 graduate of Kaduna Polytechnic, Nigeria. He is also a graduate of Kwara Polytechnic Nigeria, Harvard Business School, USA and Institut Bilingue Libre Du Togo. Mr. Tukur has held several senior Management and Board positions including as Managing Director/Chief Executive Officer HMS Concepts Limited (Financial Advisory Services) and Managing Director/Chief Executive Officer Citihomes Savings and Loans Limited.

The appointment of the new directors will be presented at the next general meeting of the Company for review and/or ratification.

This announcement is made pursuant to Rules 36 (1) & (2)(h) of the USE Listing Rules 2021.

Dated this 26th September, 2023

By Order of the Board

Elias Edu, Esq.
Company Secretary

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0707 791476
ccd@nic.co.ug
www.nic.co.ug

We cannot thank enough the regular physical exercises

It's an unfortunate truth that often when we're in need of a workout, we're least motivated to actually get active! The hardest thing about exercises is to start. Once you are doing regular physical exercises, the hardest thing is to stop. "Those who think they have no time for bodily exercise will sooner or later have to find time for illness." Edward Stanley

Many of our peers have gotten the high BP hit. Being active has proven precious for us, as we aim to reverse the non-communicable diseases. Our Physical activity has entailed walking, jogging, aerobics, running, gym etc. Having hit the prehypertensive stage, we had to devise solutions for this.

Regular exercises continue to boost our energy levels and enhancing our moods. This comes with many other powerful health benefits, including a reduced risk of chronic disease. Exercises could be any movement that makes our muscles work and requires our body to burn calories.

For us, exercises have helped us with weight loss. Since regular exercises increased our metabolic rate, burning more calories, thus helping us in losing weight. Well, Exercises are not only crucial to supporting a healthy metabolism but also burn more calories per day. They help us to maintain our muscle mass and weight loss.

With regular exercises, we have improved our work mood and decreased anxiety, and stress. Exercises increase the production of hormones known to help produce positive feelings and reduce the perception of pain Interestingly; it doesn't matter how intense your workout is. It has benefited our psychology, and keeps away the negative feelings.

Certainly, exercises have been a real energy booster for us. And let's not forget the fantastic heart and lung health benefits of exercises. Brisk walking or any strenuous activity boosts the cardiovascular system and thus improves lung health, which significantly betters our energy levels. As we move, our heart pumps more bloo__d, delivering more oxygen to the working muscles.

We are sure that Exercises are supporting us in building and maintaining strong muscles and bones. As we hit "4th floor", we tend to lose muscle mass and function, which leads to an increased risk of injury. Regular physical activity is reducing this muscle loss and maintaining strength as we age.

Mr. Michael Jjingo

Noteworthy, exercises are reducing the risk of chronic, plus non communicable disease like diabetes and hypertension, resulting from our reducing cholesterol levels. Participating in regular exercises has greatly lowered our BP by 10-28 mmHG. Daily physical activity has been key to our maintaining of a healthy weight and reducing the risk of chronic disease.

Our skins have always had the stress impact. Stress normally occurs when our body's antioxidant defenses cannot completely repair the cell damage. Since exercises stimulate blood flow and induce skin cell adaptations, they delay the appearance of skin aging. Exercises provide antioxidants and promote blood flow, which can protect our skin.

Exercises have improved our brain function, memory and thinking skills. Comparing with the period before we engaged regular exercises, our attention span, level and genre of thinking, pedigree, thought processes are much better. With high BP, the memory function was struggling to retain plus retrieving the received information, which has been reversed by regular exercises.

To begin with, our heart rate is better, promoting the flow of blood and oxygen to the brain. Exercises have stimulated the production of hormones that enhance the growth of brain cells. Our attention and concentration span is much better. Regular exercises, for sure, improve blood flow to the brain and helps brain health and memory.

Regular exercising has helped us relax and sleep better. In regard to sleep quality, the energy depletion (loss) that occurs during exercise stimulates restorative processes during sleep. Since we had sleep failures before, regular exercises have improved our sleep quality. Regular physical activity has helped us sleep better and feel more energized during the day.

In as much there are several drinks these days taken to boost "manpower" like Sting, Kalaso, Predator, Rock boom, kaziire etc, physical exercises is the best silver bullet. For those still active in relationships, engaging in regular exercises does strengthen the heart, improve blood circulation, tones muscles, and enhances flexibility, all of which can improve our relationships.

All in all, regular physical activity has increased the production of hormones that make us feel happier and help us sleep better. If we aim for 150 to 300 minutes of activity each week, our life and moods will be much better. Physical activity is anything that gets our heart beating faster, like brisk walking, cycling, or swimming.

The writer is the General Manager Commercial Banking at Centenary Bank.

Robin Bairstow named new I&M Bank Uganda CEO

Mr Robin Bairstow, Chief Executive Officer, I & M Bank

Before joining I&M Group, Bairstow held senior leadership positions at various financial institutions including Standard Chartered Bank, Citibank NA, BOE Bank, and Nedbank. His roles spanned across Central & East Africa and South-East Asia, highlighting his versatile expertise in navigating complex financial landscapes.

KAMPALA – The Board of Directors of I&M Bank (Uganda) Limited has named Mr. Robin Bairstow as the Chief Executive Officer (CEO) effective August 2023. The appointment is subject to Bank of Uganda approval.

With an extensive record in the financial services sector, Bairstow's appointment underscores I&M Bank's commitment to delivering excellence and growth across its regional operations.

Bairstow brings a wealth of experience to his new role and knows the Group well, having served as the CEO of I&M Bank (Rwanda) Plc from September 2015 to June 2023. During his tenure, he achieved remarkable growth and success including the trebling of total assets to RWF 491.3 billion and growth in pre-tax profits to RWF 13.4 billion.

Robin also oversaw I&M Bank Rwanda's listing on the Rwanda Stock Exchange in 2017.

Before joining I&M Group, Bairstow held senior leadership positions at various financial institutions including Standard Chartered Bank, Citibank NA, BOE Bank, and Nedbank. His roles spanned across Central & East Africa and South-East Asia, highlighting his versatile expertise in navigating complex financial landscapes.

A graduate of the South African Merchant Naval Academy, Bairstow holds a Diploma in Business Management from the Institute of Business Management and a Post Graduate Diploma in Business Administration from the University of Leicester, among others. His educational background combined with his extensive firsthand experience makes him a dynamic addition to the I&M Bank Uganda team.

Bairstow takes over the Chief Executive Officer role following the exit of Kumaran Pather in December 2022. Sam Ntulume, who has been serving in an acting capacity since December 2022, will now continue in his role as Executive Director and Chief Operations Officer.

Commenting on the new appointment, Mr. Kihara Maina, Regional CEO I&M Group Plc said, "Robin Bairstow is a very familiar face to the I&M Group. We are confident that he will steer the bank towards the realization of its strategic goal of becoming one of Uganda's leading banks."

Mr. Suleiman Kiggundu, the Board Chairman of I&M Bank (Uganda) Limited said, "We are happy to announce the appointment of Mr. Robin Bairstow as the new Chief Executive Officer. We are confident that he will build on his institutional knowledge and work with the I&M Bank team to push the organization to the next level. The Board congratulates Robin Bairstow on his appointment and sincerely thanks Sam Ntulume for the strong and dedicated leadership exhibited while serving in acting capacity".

How rating agencies push Africa to pay eight times more on loans

African countries are paying eight times more in interest on loans than their European counterparts and four times more than the US on account of distorted assessments by global credit rating agencies, the United Nations has said.

The UN Conference on Trade and Development (UNCTAD) says the high cost of credit has resulted in countries in the continent, including Kenya, spending more to service the debts from rich countries than investing in key economic sectors.

The rising indebtedness, UNCTAD secretary-general Rebeca Grynspan said, has hampered the ability of African countries to full economic potential, including strengthening their participation in global supply chains.

The UNCTAD boss told reporters in Nairobi that the risk assigned to Africa by the international investors "is distorted by perceptions and not necessarily [informed] by the basics of economics".

"Let me be sincere saying that the rating agencies don't help, they really hurt us because they produce that perception. It doesn't make any sense that the developing countries, Africa in this case, is paying eight times the rates that European countries are paying for the same debt," said Grynspan.

"Right now 3.3 billion people live in countries (including Africa) that are paying more to service the debts than what they are investing in education or health. So how are we going to achieve the sustainable development goals if we cannot spend on education and health – the basic needs of the people – in an appropriate manner because of the effect of debt servicing [costs]?"

The United Nations Conference on Trade and Development Secretary-General Rebeca Grynspan (L) listens as Division for Africa Least Developed Countries and Special Programmes at UNCTAD Director Paul Akiwumi speaks during a press conference and launch of the Economic Development in Africa Report 2023 at Radisson Blu Hotel in Nairobi, Kenya

Kenya's debt obligations have become the largest single expenditure in the budget ahead of key sectors such as education, infrastructure and health.

The William Ruto administration, for example, spent Sh1.16 trillion on servicing maturing debt and interest for the year ended June 2023, with the burden projected to climb to about Sh1.8 trillion in the current year ending June 2024.

The International Monetary Fund and the World Bank have since 2020 classified Kenya at a high risk of debt distress since 2020 as a result of a persistently large deficit in annual budgets in more than a decade, which is bridged through borrowing.

Ms Grynspan said African countries, including Kenya, have been victims of post-Covid global geopolitics such as the Russia-Ukraine war, which has pressured food and energy costs upwards as well as the impact of climate change.

The global credit rating system is largely controlled by Fitch Ratings, Moody's Investors Service and Standard & Poor's, all of which are based in the US.

"They [rating agencies] need to be more embedded in realities of these countries but they are very centralised…and I don't think that they know these countries very well. So a spreadsheet will really determine the perception of risk," Ms Grynspan said during the global launch of the Economic Development in Africa Report 2023.

The comments came days after the African Peer Review Mechanism, an autonomous arm of the African Union tasked with ensuring best practices in economic governance and management, backed President Ruto's criticism of the unfair assessment of Kenya's creditworthiness by global rating agencies.

The criticism was in response to sentiments by Moody's vice president and senior credit officer David Rogovic, who told Bloomberg News that Kenya's plan to buyback part of its $2 billion Eurobond before maturity "at a price below par value would constitute an economic loss to investors". "The APRM further views Moody's speculative comments on Kenya's default event as, in effect, a preemptive rating action and equates it to a 'premature release of a credit rating to the public'," APRM said in a statement on August 11.

"In view of these continuing impromptu pessimistic and negative commentaries by rating analysts that are neither linked to any rating action nor in-depth research report, the APRM calls on African Network of National Regulators of Rating Agencies to institute appropriate regulatory measures that ensure proper conduct of credit rating business."

Kenya in June revealed a plan to buy back at least half of the Eurobond maturing in June 2024 from investors before the close of 2023 after shelving a plan to float raise cash from the international capital markets because of elevated interest rates.

Bank of Uganda licenses first Islamic Banking financial institution

Uganda's central bank has recently issued its first Islamic banking license. The move comes after the country implemented legislation in June to allow Sharia-compliant financial activities within its borders.

According to Uganda's main financial institution, the implementation of Islamic finance, which facilitates interest-free transactions, has the potential to greatly boost the growth of Uganda's economy. It is worth noting that Uganda's economy is the third largest in East Africa.

The central bank highlighted that Islamic finance can appeal to a fresh set of customers who have previously refrained from borrowing from conventional lenders due to religious reasons. Bank noted.

Deputy Governor Michael Atingi-Ego of the central bank firmly believes in the immense potential of Islamic banking to greatly contribute to the growth and advancement of Uganda's financial sector.

Permanent Secretary / Secretary to the Treasury Ministry of Finance, Planning and Economic Development Ramathan Ggoobi (5-R), flanked by BoU Deputy Governor Michael Atingi-Ego (4-R) hands over the Islamic Banking license to the Salaam Bank executives led by the Chairman Board of Directors Mr. Mohamed Ahmed Ali (4-L)

"We believe that Islamic banking has the potential to make a significant contribution to the development of Uganda's financial sector," he stated in the released statement.

The central bank also assured its commitment to providing oversight and support to Salaam Bank Limited as it embarks on this new venture.

Last year, Salaam African Bank entered the Ugandan market by acquiring Top Finance Bank Ltd. This strategic move demonstrates the bank's ambition to strengthen its foothold in East Africa and expand its influence across the region.

The approval of Islamic banking in Uganda was granted by the country's parliament in June.

In August, Ugandan President Yoweri Museveni took a significant step by signing the Financial Institutions Act of 2023 into law. This crucial development establishes a robust legal foundation for Islamic finance in the country.

Excel Insurance Inaugurates Impressive Walakira House

Excel Insurance Company has celebrated a significant milestone, with the grand inauguration of their new corporate headquarters, Walakira House.

The event was marked with a ribbon-cutting ceremony attended by top executives, industry leaders, and government officials.

Paul Muwanga, the Managing Director of Excel Insurance, shared the company's remarkable financial journey during the inauguration ceremony.

"Since 2017, our total assets have grown from sh13 billion to an impressive sh25 billion. Our total liabilities have seen a modest increase from sh6b to sh6.5b, while our shareholder funds have shown remarkable growth, from sh7b to a remarkable sh16.2b," Muwanga declared.

Muwanga said the company's remarkable financial stability and growth were exemplified by its capital adequacy ratios. In 2018, the company underwent a capital adequacy test and registered a healthy 72.8%. By 2021, Excel Insurance had surged to 207%, and as of the close of 2022, the company proudly reported a staggering 251.3% capital adequacy ratio.

Muwanga expressed gratitude to the regulatory authorities, stating, "We would like to thank the regulator for the continued guidance. The regulator is like a mother who beats the child while telling it that I am beating you because I love you."

Professor Guloba, Chairperson of Excel Insurance, reflected on the company's journey, stating, "The company was founded by David Walakira Mukasa, and we actually went to school together. In 1997, the company was incorporated, operating from a small office until 1989 when it moved to a bigger location, where we have been until April this year."

He continued, "We acquired this land in 2016, and it was a dream of Mr. Walakira to get a plot in town for a home. The board made a decision in 2020 to commence construction of the building, and three years later, we have been able to fulfill the dream of our founder."

Despite facing challenges, including the passing of the company's founder in August 2017 and the loss of one of its directors, Dr. Rosemary Nabadda, three years later, Excel Insurance has persevered and experienced significant breakthroughs.

Ibrahim Kaddunabbi Lubega, CEO of the Insurance Regulatory Authority (IRA), commended Excel Insurance's achievements, especially in the face of challenges posed by the COVID-19 pandemic.

"Today, we are launching a home such as this, and I definitely know that we are reclaiming our rightful position in the insurance sector," kaddunabbi asserted.

With 21 non-life insurance companies operating in the market, Kaddunabbi said Excel Insurance stands as one of the leading indigenous players, a feat not to be taken lightly.

In 2022, the non-life segment accounted for a remarkable sh819b, making up 57.7% of the entire insurance market share, with a growth rate of 15.8%.

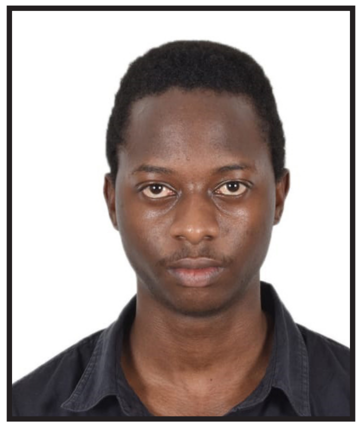
Kaddunabbi added that this performance is likely to be surpassed in 2023, according to the figures recorded by the regulator.

"We continue to provide an oversight role to ensure that every operation in the sector is done in a clear and transparent manner, "he said.

Kaddunabbi also encouraged industry leaders and investors to explore opportunities for growth and increased penetration, particularly in high-risk sectors such as oil and gas, emphasizing the importance of bolstering capital bases to accommodate these opportunities.

The inauguration of Walakira House marks a significant moment in Excel Insurance's journey, signifying not only their commitment to excellence but also their determination to lead Uganda's non-life insurance sector into a prosperous future.

African countries can generate alternative financing for their budgets



Muwonge Gerald

A record number of African Nations are currently at risk of a debt crisis with many of them now defaulting on international loans.

In its recent publication, the regional news publication, The East African lists Ghana as the African country with the biggest economic crisis, with debt obligations accounting for over 40% of government's income last year.

The East African lists Malawi second, having a budget deficit of $ 1.30 billion. Zambia comes third with its external debt rising to $18.6 billion.

Tunisia, a more tourism dependent country saw a $1.9 billion International Monetary Fund loan blocked for certain months. This after defaulting, according to credit rating firms.

Egypt is the other African country struggling with a debt burden. As a result the severity of the debt crisis has impacted negatively on growth per capita incomes and also scaled down private investment.

East African country Uganda is joining the long list of countries with a huge public debt with 65% of its total revenue collection allocated towards debt repayment, according to documents from Uganda's ministry of finance.

Speaking in Uganda's Capital, Kampala, last week, Uganda's junior minister for finance Amos Lugoloobi gave a ray of hope on the question of capacity for African states to domestically finance their infrastructural development through leveraging the country's savings for economic development.

Lugoloobi says the Country's provident fund " the National Social Security Fund, as a long-term Fund, can work with strategic partners to avail patient and local capital to the government to accelerate its infrastructure development in a win-win manner.''

The minister's proposal implies that the country's largest fund can participate in partnerships including development of transport infrastructure like toll roads and exploration of natural resources like oil and gas.

Going by the Minister's assertion, Uganda's National Social Security Fund being the biggest pension fund among the seven East Africa Community, with assets of approximately $ 4.406 billion, as of 2021, can ably invest in Uganda's infrastructural development.

However it can do better than this if Uganda increases number of savers from less than one million workers. Consequently there will be opportunity cost of this fund on furthering the development agenda is huge.

This means, the fund and country will have enough funds to be used in long term investments which can in the end benefit the fund by accruing much more returns.

If African states leverage saving, pension funds would be used to create revenue generating infrastructure projects and also act as alternative sources of funds for their budgets.

In its 2017 report, the United Nations Conference on Trade & Development (UNCTAD) , said African states should improve its savings to Gross Domestic Product.

It says 'African countries ability to finance a greater share of their development needs from domestic sources ''would give them much needed flexibility in the formulation and implementation of policies''

Developing Countries improving their savings to grow domestic borrowing sources resonates with Robert Collier's wise words, ''Success is the sum of small efforts repeated day in and day out''.

Uganda, gets first insurtech company to underwrite microinsurance. Turaco has been licensed to underwrite microinsurance in Uganda. The insurtech company becomes the first to acquire this underwriting license.

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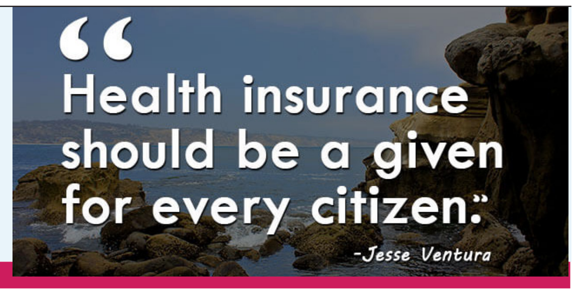

Liberty and Stanbic Collaborate with SafeBoda to Introduce Innovative Insurance Offering

Mr. Peter Makhanu, Managing Director, Liberty General Insurance Uganda Limited on a SafeBoda

In a groundbreaking move aimed at enhancing the safety and well-being of commuters and drivers using the popular SafeBoda transportation service in Uganda, Liberty General Insurance Uganda Limited and Stanbic Bank have announced their partnership with SafeBoda to unveil a new comprehensive insurance product.

This innovative insurance plan, named Plus Ride and Pay As You Go, is designed to provide coverage for both SafeBoda passengers and riders.

The announcement took place at the SafeBoda Academy in Kyebando, where key representatives from all three entities gathered to introduce the new insurance offering.

Peter Makhanu, the Managing Director of Liberty General Insurance Uganda Limited, highlighted the comprehensive coverage offered by the Liberty Plus Ride insurance plan which is expected to change many lives in the insurance industry.

“Most of us have been shunning away from insuring boda bodas but they have taken all the insurance risk management measures any insurer would want to do. They have a way of controlling bodas, they have training for them and the fact that they have involved the traffic police is also commendable. One of the things we expect is to change the perception that boda bodas are insurable,” he said

Makhamu said that they focused on the right pricing of the product and bundling it in comparison with other products.

“We are now positioned to do quite a bit in the industry to come up with products friendly and affordable to customers,” he explained.

According to Makhamu, the outlook-of-insurance is looking bright, especially with the coming of oil and gas, a lot of activities have come up, he said the country is going to see an uptake or growth in the insurance sector.

This insurance policy provides compensation in excess of sh1 million in the event of an accident, covering scenarios such as death, permanent total disability, and medical bills for riders. Additionally, the plan offers support for riders who are unable to work after 48 hours due to injuries sustained in accidents.

One of the standout features of the SafeCar insurance package, as explained by Makhanu, is its unique monthly accessibility, breaking away from traditional annual coverage models. This flexibility is expected to make insurance more accessible to a wider range of individuals.

Sam Mwogeza, the Executive Head of Personal and Private Banking at Stanbic Bank, emphasized the significance of investing in insurance to ensure personal financial security.

“Many Ugandans work tirelessly every day without the luxury of financial stability, and this partnership aims to support them in taking control of their lives,” He pointed out

Catherine Tulina Kafumbe, the Country Director of SafeBoda, underscored the importance of improving the livelihoods of passengers, riders, and drivers.

“The introduction of these insurance policies marks the beginning of a journey towards ensuring the well-being of all stakeholders and elevating road safety standards across Uganda,” She stated

Deputy Traffic Commander SSP Justin Opus welcomed this initiative and commended SafeBoda for its efforts in training disciplined riders on the road.

He stressed that the Ugandan police fully support the campaign and look forward to collaborating with SafeBoda in promoting road safety.

Senior Superintendent of Police (SSP) Opus pointed out that road indiscipline is a leading cause of accidents, and the introduction of insurance coverage is a significant step towards mitigating the impact of such accidents.

SSP Opus provided alarming statistics from the previous year, indicating that over 20,000 crash victims were reported, with more than 4,500 losing their lives due to serious casualties. The launch of the Liberty and Stanbic insurance partnership is expected to contribute to reducing these statistics by promoting safer transportation practices in Uganda. This partnership marks a significant milestone in enhancing road safety and providing financial security to all those who rely on SafeBoda for their daily commutes. The Plus Ride and Pay As You Go insurance plans promise to make a positive impact on the lives of SafeBoda customers and the broader community as a whole.

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